

BETH C. DRAIN, CA CSR NO. 7152

BEFORE THE
CITIZENS' FINANCIAL ACCOUNTABILITY
OVERSIGHT COMMITTEE
ORGANIZED PURSUANT TO THE
CALIFORNIA STEM CELL RESEARCH AND CURES ACT
REGULAR MEETING

LOCATION: VIA ZOOM

DATE: NOVEMBER 10, 2021
9 A.M.

REPORTER: BETH C. DRAIN, CA CSR
CSR. NO. 7152

FILE NO.: 2021-22

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NOVEMBER 10, 2021; 9 A.M.

CHAIRWOMAN YEE: MORNING, EVERYONE.
WELCOME. IT IS 9:02 ON NOVEMBER 10TH. AND WE ARE
GATHERED HERE REMOTELY FOR THE CITIZEN'S FINANCIAL
ACCOUNTABILITY OVERSIGHT COMMITTEE. GOOD MORNING TO
EVERYONE.

AND BEFORE WE GET STARTED, LET ME JUST ASK
FOR THOSE WHO ARE ABLE TO RISE TO PLEASE DO SO FOR
THE PLEDGE OF ALLEGIANCE.

(THE PLEDGE.)

CHAIRWOMAN YEE: THANK YOU. WE WILL NOW
CALL THE MEETING TO ORDER, AND LET ME TURN TO
MR. EVANS TO CALL THE ROLL.

MR. EVANS: DR. MICHAEL QUICK.

MEMBER QUICK: PRESENT.

MR. EVANS: DR. GURBINDER SEDANA.

DR. SEDANA: PRESENT.

MR. EVANS: DR. JAMES LOTT.

MEMBER LOTT: PRESENT.

MR. EVANS: DR. CATHERINE SARKISIAN.

DR. SARKISIAN: PRESENT.

MR. EVANS: CONTROLLER BETTY YEE.

CHAIRWOMAN YEE: HERE.

THANK YOU VERY MUCH. WE DO HAVE A QUORUM.

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1 FIRST LET ME WELCOME THE COMMITTEE MEMBERS AND THANK
2 YOU FOR SPENDING THE TIME WITH US HERE TODAY AS WE
3 CONVENE THIS COMMITTEE WHICH UNDER PROPOSITION 14 IS
4 TO PROVIDE A VERY IMPORTANT OVERSIGHT FUNCTION OVER
5 THE WORK OF THE CALIFORNIA INSTITUTE FOR
6 REGENERATIVE MEDICINE, ALSO KNOWN AS CIRM, AND MY
7 OFFICE'S REVIEW OF THE EXTERNAL AUDITOR'S AUDIT
8 REPORT OF THE FINANCIAL PRACTICES OF CIRM.

9 BEFORE I TURN IT OVER TO THE COMMITTEE
10 MEMBERS, LET ME ALSO JUST ACKNOWLEDGE THAT THIS IS
11 SPECIFICALLY A MEETING TO REVIEW THE FINANCIAL
12 STATEMENTS AND THE FINANCIAL ACCOUNTING AND
13 PRACTICES OF CIRM. AND I KNOW THAT THERE'S BEEN A
14 LOT OF RECENT INFORMATION ABOUT THE PERFORMANCE
15 AUDIT THAT WAS PRESENTED TO CIRM COMPLETED BY
16 MOSS-ADAMS. AND THE CIRM BOARD WILL BE CONSIDERING
17 THE RECOMMENDATIONS OF THAT REPORT AS THEY CONSIDER
18 THE PLAN GOING FORWARD OF CIRM'S WORK IN JANUARY.
19 AND IT IS THE INTENT OF THIS OVERSIGHT COMMITTEE TO
20 THEN HAVE A MEETING IN THE SPRING TO SEE HOW THAT
21 WORK WILL INFORM THE NEXT CYCLE OF OUR FINANCIAL
22 OVERSIGHT WORK. SO REALLY PLEASED TO BE WORKING
23 TOGETHER WITH THE CIRM STAFF ON COORDINATING OUR
24 NEXT MEETING TO THAT EFFECT.

25 NOW I WANT TO GIVE THE MEMBERS OF THE

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1 CFAOC AN OPPORTUNITY TO INTRODUCE THEMSELVES. I
2 WANT TO JUST CALL ON EACH OF YOU TO JUST INTRODUCE
3 YOURSELVES AND TO PROVIDE ANY INFORMATION ABOUT YOUR
4 BACKGROUND, YOUR CAREERS, BUT ALSO ANY OTHER
5 COMMENTS THAT YOU'D LIKE TO MAKE AT THIS TIME. I'M
6 REALLY PROUD AND PLEASED TO HAVE SUCH A
7 DISTINGUISHED GROUP OF MEMBERS ON THIS COMMITTEE.

8 SO I THINK I WILL FIRST START WITH
9 DR. CATHERINE SARKISIAN. WELCOME.

10 MEMBER SARKISIAN: THANK YOU, CONTROLLER.
11 MY NAME IS CATHERINE SARKISIAN. I'M A FOURTH
12 GENERATION CALIFORNIAN AND IT'S REALLY AN HONOR TO
13 BE PART OF THIS COMMITTEE. I'M A PHYSICIAN, A
14 GERIATRICIAN, AND A PROFESSOR OF MEDICINE AT UCLA
15 WHERE I'VE BEEN FOR OVER 20 YEARS. MY RESEARCH
16 FOCUSED ON HEALTH SYSTEM SCIENCE, TRYING TO INCREASE
17 HEALTHCARE VALUE. AND I DO HAVE A -- MOST OF MY
18 PERSONAL RESEARCH FUNDING IS FROM NIH. THANK YOU
19 FOR INCLUDING ME.

20 CHAIRWOMAN YEE: THANK YOU, DR. SARKISIAN.
21 MR. LOTT.

22 MEMBER LOTT: THANK YOU. THANK YOU. GOOD
23 MORNING, EVERYONE.

24 I'M CURRENTLY A PROFESSOR TEACHING
25 HEALTHCARE ADMINISTRATION IN THE CSU SYSTEM. I'M A

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1 RECOVERING AND RETIRED FORMER LEGISLATIVE EMPLOYEE
2 LIKE SOME OTHERS HERE ON THE CALL, LIKE OUR
3 CHAIRPERSON AS WELL. I HAVE FINALLY GOTTEN OVER IT
4 AFTER ALL THESE YEARS. BUT I'M ALSO A RECOVERING
5 HOSPITAL INDUSTRY EXECUTIVE AS WELL. SO I'M RETIRED
6 AND DOING GOOD WORK THESE DAYS.

7 CHAIRWOMAN YEE: THANK YOU, MR. LOTT, FOR
8 SERVING ON THE COMMITTEE.

9 DR. QUICK.

10 MEMBER QUICK: GOOD MORNING, EVERYONE. MY
11 NAME IS MICHAEL QUICK. I'M A PROFESSOR OF
12 NEUROSCIENCE, BIOLOGICAL SCIENCES, AT THE UNIVERSITY
13 OF SOUTHERN CALIFORNIA. I'VE BEEN ON THIS COMMITTEE
14 FOR FOUR OR FIVE YEARS NOW. FORMERLY SERVED AS THE
15 PROVOST OF THE UNIVERSITY OF SOUTHERN CALIFORNIA AS
16 WELL AND ALWAYS LOOK FORWARD TO SEEING WHAT IS GOING
17 ON AT CIRM AND PARTICIPATING IN THE OVERSIGHT OF THE
18 FINANCIAL AUDITS. SO THANK YOU.

19 CHAIRWOMAN YEE: THANK YOU, DR. QUICK.

20 AND DR. SEDANA.

21 MEMBER SEDANA: GOOD MORNING, EVERYONE.
22 AND IT'S AN HONOR TO BE ON THIS COMMITTEE. BEEN ON
23 THIS COMMITTEE SINCE, I THINK I LOST COUNT, MAYBE
24 TEN PLUS OR MAYBE FROM THE BEGINNING WHEN IT WAS
25 STARTED. I AM A PHYSICIAN, CLINICAL PHYSICIAN.

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1 HAVE BEEN INVOLVED RECENTLY IN DOING SOME COVID
2 RESEARCH AND THINGS LIKE THAT AND THE OUTCOME AND
3 ALSO THE POST-COVID SYNDROME. I ALSO WAS PART OF
4 THE COMMITTEE WHO DESIGNED THE INITIAL PROCESS OF
5 ELECTRONIC PRESCRIPTION WHICH IS GOING INTO LAW THIS
6 COMING JANUARY. ESPECIALLY IN CERTAIN OPIOID AS
7 WELL AS ALSO SCHEDULED PRESCRIPTIONS.

8 CURRENTLY I STILL PRACTICE AND DO
9 MANAGEMENT IN THE CLINICAL FIELD AND CONTINUE TO
10 WORK ESPECIALLY NOW LOOKING INTO THE POST-COVID
11 SYNDROME. THANK YOU, EVERYONE.

12 CHAIRWOMAN YEE: THANK YOU, DR. SEDANA.
13 THANK YOU FOR YOUR TENURE ON THIS COMMITTEE.

14 I'D ALSO LIKE TO JUST INTRODUCE THE CIRM
15 REPRESENTATIVES WHO ARE JOINING US TODAY. THE
16 PRESIDENT AND CEO, DR. MARIA MILLAN; THE NEW
17 DIRECTOR OF FINANCE, POUNEH SIMPSON. WELCOME. AND
18 DIRECTOR OF GRANTS MANAGEMENT AND OPERATIONS,
19 JENNIFER LEWIS. AND WE ARE ALSO JOINED TODAY BY THE
20 CIRM CHAIR JONATHAN THOMAS AND VICE CHAIR ART
21 TORRES. WELCOME TO ALL OF YOU. AND WE'LL BE
22 HEARING FROM SEVERAL OF THE CIRM REPRESENTATIVES
23 LATER TODAY. AGAIN, THANK YOU FOR JOINING US.

24 I'M CALIFORNIA STATE CONTROLLER BETTY YEE
25 AND HAVE CONVENED YOU HERE TODAY AS CHAIR OF THE

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1 CITIZENS FINANCIAL OVERSIGHT COMMITTEE, ALSO KNOWN
2 AS THE CFAOC. AND THIS IS TO EXERCISE THE DUTIES
3 THAT HAVE BEEN ASSIGNED TO THIS COMMITTEE BY
4 PROPOSITION 14 WHERE WE DISCUSS THE ANNUAL
5 EXPENDITURES OF THE AVAILABLE BOND FUNDING FROM PROP
6 14 AND THE RESULTS OF THE ANNUAL FINANCIAL AUDIT OF
7 CIRM.

8 IN ADDITION TO THE AUDIT REVIEWS AND
9 REVIEWS OF ACTIVITIES SINCE OUR LAST MEETING IN
10 NOVEMBER OF 2020, WE WILL ALSO HEAR FROM CIRM
11 PRESIDENT AND CEO MARIA MILLAN IN LIGHT OF LAST
12 NOVEMBER'S PASSAGE OF PROPOSITION 14.

13 DR. MILLAN WILL PROVIDE US WITH AN UPDATE
14 ABOUT CIRM'S WORK, INCLUDING THE GROWTH AND THE
15 NUMBER OF PATIENTS ENTERING CIRM-INITIATED CLINICAL
16 TRIALS, THE HIGHLIGHTS OF THE CUMULATIVE WORK OF
17 CIRM TO DATE, AND LONG-TERM PLANS INCLUDING DETAILS
18 OF ITS PENDING NEW STRATEGIC PLAN AND MISSION
19 STATEMENT.

20 I ALSO JUST WANT TO ADDRESS THE MEMBERS OF
21 THE PUBLIC. THERE WILL BE AN OPPORTUNITY FOR
22 MEMBERS OF THE PUBLIC TO PROVIDE COMMENT ON EACH OF
23 OUR AGENDA ITEMS. AND I WILL BE ASKING FOR THAT
24 COMMENT AS WE NEAR ACTION OR THE CONCLUSION OF EACH
25 OF THE ITEMS. THOSE WHO ARE PARTICIPATING BY PHONE,

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1 WE WOULD ASK THAT YOU DIAL STAR NINE TO BE PLACED IN
2 THE QUEUE TO SPEAK AND PROVIDE TESTIMONY TO THE
3 COMMITTEE. IF YOU ARE JOINING VIA ZOOM, WE ASK YOU
4 TO USE THE RAISED HAND FEATURE, AND OUR STAFF WILL
5 BE CALLING UPON YOU AS WE TAKE PUBLIC COMMENT.

6 SO, MEMBERS, OUR FIRST ITEM OF BUSINESS IS
7 AN ACTION ITEM, AND THIS IS THE ADOPTION OF THE
8 MINUTES FROM OUR NOVEMBER 20TH, 2020, CFAOC MEETING.
9 AND IS THERE A MOTION TO APPROVE THOSE MINUTES?

10 MEMBER LOTT: PRIOR TO THAT, ONE
11 CORRECTION, MADAM CHAIR.

12 CHAIRWOMAN YEE: YES, MR. LOTT, PLEASE.

13 MEMBER LOTT: I THOUGHT THIS WAS JUST A
14 CHECK TO SEE IF I ACTUALLY READ THESE THINGS.

15 CHAIRWOMAN YEE: IT WAS.

16 MEMBER LOTT: BUT YOU MISSPELLED MY
17 NAME --

18 CHAIRWOMAN YEE: WHAT?

19 MEMBER LOTT: -- ON ITEM 3. YEAH. IT'S
20 IN ITEM 3. YOU GOT THE WRONG SPELLING. SO I DO
21 READ THIS STUFF.

22 CHAIRMAN THOMAS: THANK YOU. I APOLOGIZE
23 FOR THAT. OKAY. WE WILL CORRECT THAT. VERY GOOD.

24 MEMBER LOTT: WITH THAT, I MAKE A MOTION
25 TO APPROVE, MADAM CHAIR.

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1 CHAIRWOMAN YEE: OKAY. SO WE HAVE A
2 MOTION BY MR. LOTT TO APPROVE THE MINUTES AS
3 AMENDED. IS THERE A SECOND?

4 MEMBER QUICK: SECOND.

5 CHAIRWOMAN YEE: SECONDED BY DR. QUICK.
6 ALL RIGHT. AND WITHOUT OBJECTION, SUCH WILL BE THE
7 ORDER. THANK YOU.

8 AND THEN OUR NEXT ITEM IS THE MEAT OF THIS
9 MEETING, BEGINNING THE MEAT OF THE MEETING. THIS IS
10 AN INFORMATIONAL ITEM TO RECEIVE THE REPORT FROM OUR
11 INDEPENDENT FINANCIAL AUDITOR. I'M GLAD TO WELCOME
12 MR. CRAIG HARNER, WHO IS HERE FROM MACIAS, GINI &
13 O'CONNELL, TO PRESENT THE FINANCIAL AUDITOR REPORT
14 AND ALSO THE FINDINGS FROM THAT REPORT. MR. HARNER,
15 THANK YOU FOR BEING HERE.

16 AND I'M JUST GOING TO ASK YOU,
17 PARTICULARLY JUST ON THE HEELS OF THE PERFORMANCE
18 AUDIT, TO JUST INTRODUCE THIS ITEM WITH THE AUDIT
19 THAT YOU AND YOUR FIRM HAVE DONE JUST TO DISTINGUISH
20 IT FROM THE WORK OF MOSS-ADAMS AND THE PERFORMANCE
21 AUDIT.

22 MR. HARNER: GOOD MORNING, EVERYONE,
23 MEMBERS OF THE COMMITTEE. FOR THE RECORD, I'M
24 CRAIG HARNER. I'M A DIRECTOR WITH MACIAS, GINI &
25 O'CONNELL OR MGO. I LEAD THE AUDIT OF THE FINANCIAL

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1 STATEMENTS OF CIRM. I'VE BEEN IN THIS POSITION FOR
2 FOUR, FIVE, POSSIBLY SIX YEARS NOW, AND I'M HAPPY TO
3 PRESENT THE RESULTS OF OUR FINANCIAL STATEMENT AUDIT
4 FOR FISCAL YEAR 19/20.

5 IN YOUR PACKET YOU SHOULD HAVE A COPY OF
6 THE FINANCIAL STATEMENTS, AND I'LL GO THROUGH THOSE
7 REAL QUICK.

8 SO AS THE CONTROLLER MENTIONED, SO WE WERE
9 ENGAGED BY CIRM TO PERFORM AN AUDIT OF THE FINANCIAL
10 STATEMENTS, THE OBJECTIVE OF WHICH IS TO OBTAIN WHAT
11 WE CALL REASONABLE ASSURANCE THAT THE ACCOUNTS, THE
12 AMOUNTS THAT ARE PRESENTED IN CIRM'S FINANCIAL
13 STATEMENTS AND IN THEIR NOTE DISCLOSURES ARE FAIRLY
14 STATED OR REASONABLY STATED, WE'LL SAY, IN ALL
15 MATERIAL RESPECTS. AND WHAT WE MEAN BY THAT IS THAT
16 WE DON'T AUDIT A HUNDRED PERCENT OF THE TRANSACTIONS OF
17 CIRM THAT GO IN THERE, BUT WE DO GET REALLY CLOSE TO
18 THE BALLPARK, AND IT ALLOWS US TO OPINE ON THOSE
19 FINANCIAL STATEMENTS.

20 SO AS A PART OF OUR AUDIT, WE ACTUALLY
21 ISSUE TWO REPORTS. ONE IS THE FINANCIAL STATEMENTS
22 WHICH YOU HAVE IN FRONT OF YOU, AND THEY ACTUALLY
23 CONTAIN TWO INDEPENDENT AUDITOR'S REPORTS. I'LL
24 WALK THROUGH BOTH OF THOSE IN A SECOND. AND THE
25 SECOND ONE IS A REPORT THAT I DON'T THINK WE PRESENT

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1 TO THIS COMMITTEE, BUT WE DO PRESENT TO CIRM BOARD,
2 THE ICOC, AND THAT CONTAINS WHAT WE CALL OUR
3 REQUIRED COMMUNICATIONS. AND THE REQUIRED
4 COMMUNICATIONS ARE A SUMMARY OF THE AUDIT, IF YOU
5 WILL. I'LL STILL GO THROUGH THOSE WITH YOU THIS
6 MORNING.

7 SO WHAT THOSE ARE, THEY'RE REQUIRED BY
8 PROFESSIONAL STANDARDS TO INFORM THOSE CHARGED WITH
9 GOVERNANCE OR THOSE WHO HAVE OVERSIGHT OF THE ENTITY
10 OF ANY SIGNIFICANT AND CRITICAL MATTERS THAT HAVE
11 OCCURRED DURING THE YEAR THAT WE WANT TO INFORM THEM
12 ABOUT.

13 SO AS I MENTIONED, THE FINANCIAL STATEMENT
14 REPORT YOU HAVE IN FRONT OF YOU, THERE'S TWO
15 INDEPENDENT AUDITOR'S REPORTS. THE FIRST ONE IS OUR
16 INDEPENDENT AUDITOR'S REPORT, AND THAT COVERS THE
17 FINANCIAL STATEMENTS. AND THIS IS THE MAIN ONE THAT
18 WE ARE ENGAGED TO REPORT ON WHICH CONTAINS OUR
19 OPINION ON THE FINANCIAL STATEMENTS. SO IT'S WHERE
20 WE'RE GOING TO FIND THE INFORMATION AS FAR AS
21 WHETHER THE AMOUNTS ARE FAIRLY STATED. AND THEN THE
22 SECOND REPORT, WHICH IS ACTUALLY IN THE BACK, IS OUR
23 INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROLS
24 AND ON COMPLIANCE WITH LAWS AND REGULATIONS, GRANT
25 AGREEMENTS AND CONTRACTS IN ACCORDANCE WITH THE

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1 AUDIT PERFORMED WITH THE GOVERNMENT AUDITING
2 STANDARDS.

3 SO WE DO AN AUDIT IN ACCORDANCE WITH
4 GOVERNMENT AUDITING STANDARDS AS AN ADDITIONAL LAYER
5 OF THINGS THAT WE HAVE TO CONSIDER. AND IF THERE'S
6 ANY FINDINGS OR RESULTS, WE HAVE TO PRESENT THOSE IN
7 THIS REPORT. AND I'LL WALK THROUGH THOSE IN A
8 SECOND.

9 SO IF WE GO TO THE FINANCIAL STATEMENTS,
10 PAGE 1 OF THE FINANCIAL STATEMENTS IS THE FIRST PAGE
11 OF OUR INDEPENDENT AUDITOR'S REPORT. AND THE FIRST
12 TWO SECTIONS, THE FIRST ONE IS MANAGEMENT'S
13 RESPONSIBILITIES AND THEN THE AUDITOR'S
14 RESPONSIBILITIES. SO I'LL GO THROUGH THE AUDITOR'S
15 RESPONSIBILITIES, AND THIS WILL KIND OF SPEAK TO
16 WHAT OUR RESPONSIBILITIES ARE FOR A FINANCIAL
17 STATEMENT AUDIT.

18 AS I MENTIONED BEFORE, THE PURPOSE OF A
19 FINANCIAL STATEMENT AUDIT IS FOR US AS THE
20 INDEPENDENT AUDITOR TO OBTAIN REASONABLE ASSURANCE
21 ABOUT WHETHER THOSE AMOUNTS IN YOUR FINANCIAL
22 STATEMENTS ARE FAIRLY STATED, AGAIN, IN ALL MATERIAL
23 RESPECTS. AND SO WHAT WE DO IS WE GO THROUGH A VERY
24 LENGTHY WHAT WE CALL PLANNING PROCESS. SO WE PLAN
25 OUR AUDIT, WE PERFORM OUR RISK ASSESSMENT, TRY TO

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1 IDENTIFY AREAS IN THE FINANCIAL STATEMENTS AND
2 ACCOUNTS AND THE INTERNAL CONTROL CYCLES OF WHERE
3 THERE COULD POSSIBLY BE A HIGHER RISK OF A MATERIAL
4 MISSTATEMENT OF THE AMOUNTS AND ACCOUNTS TRIALS,
5 WHETHER DUE TO ERRORS OR FRAUD. AND THEN AS A
6 RESULT OF THAT RISK ASSESSMENT, THEN WE PREPARE
7 PROCEDURES TO PERFORM TO ADDRESS THOSE RISKS. AND
8 THEN, AS PART OF THE AUDIT, THAT'S WHEN WE ARE
9 ACTUALLY EXECUTING OUR PROCEDURES, OBTAINING THE
10 AUDIT EVIDENCE TO SUPPORT OUR OPINIONS ABOUT THE
11 DIFFERENT AMOUNTS IN THE FINANCIAL STATEMENTS, AND
12 THEN CONCLUDING AS TO WHETHER THEY'RE FAIRLY STATED
13 OR NOT.

14 AND THEN, AGAIN, THE OVERALL PURPOSE IS
15 FOR US TO FORM AND EXPRESS AN OPINION ABOUT THE
16 FINANCIAL STATEMENTS AND WHETHER THEY'RE FAIRLY
17 STATED BASED ON THE RESULTS OF OUR AUDIT.

18 SO IF WE GO TO THE THIRD PAGE, THE SECOND
19 PAGE CONTAINS OUR OPINION, AND THEN THE THIRD PAGE
20 IS WHERE WE'VE SIGNED THE REPORT. AND YOU WILL SEE
21 WE ISSUED OUR REPORT ON NOVEMBER 16TH, 2020, WHICH
22 IS A LITTLE BIT LATER THAN WE USUALLY DO, AND I'LL
23 GO INTO WHY THAT IS IN A MINUTE.

24 I'LL GO BACK TO PAGE 2 UNDER THE OPINION,
25 WE'RE PLEASED TO REPORT THAT ISSUED AN UNMODIFIED

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1 OPINION ON THE FINANCIAL STATEMENTS, WHICH IS THE
2 HIGHEST LEVEL OF ASSURANCE THAT AN INDEPENDENT
3 AUDITOR CAN GIVE AN ORGANIZATION REGARDING THE FAIR
4 PRESENTATION OF THE FINANCIAL STATEMENTS. I WANT TO
5 REALLY HIGHLIGHT THAT LAST YEAR WHEN WE WERE
6 AUDITING 2020, THAT WAS THE FIRST YEAR OF THE
7 PANDEMIC AND THE COVID. SO EVERYTHING WE DID WAS A
8 HUNDRED PERCENT REMOTE. WE DIDN'T GO ON-SITE LIKE
9 WE HAVE IN THE PAST.

10 I WANT TO JUST THANK THE STAFF, THE SCO,
11 DGS, AND CIRM AS WELL WITH BEING ABLE TO ACCOMMODATE
12 ALL OF OUR REQUESTS AND MEETINGS THAT WE HAD TO DO
13 VIRTUALLY, AND THEN USING FILE SHARING SITES. WE
14 ACTUALLY HAD -- THERE WASN'T REALLY ANY -- HOW DO I
15 SAY THIS? WE DIDN'T REALLY MISS A BEAT ON THE AUDIT
16 THIS YEAR EVEN THOUGH WE WERE WORKING IN A NEW
17 ENVIRONMENT FOR EVERYBODY. IT'S KIND OF A TESTAMENT
18 TO THE STAFF THAT'S IN PLACE THERE AND EVERYONE
19 REALLY WORKING TO TRY TO GET THIS DONE AS BEST AS WE
20 CAN.

21 AND THEN SO KIND OF GOING OFF OF THAT, WE
22 DIDN'T HAVE ANY DISAGREEMENTS WITH MANAGEMENT. WE
23 DIDN'T HAVE ANY DIFFICULTIES REALLY ENCOUNTERED IN
24 PERFORMING THE AUDIT. THERE WAS NOTHING NEW, THERE
25 WERE NO NEW ACCOUNTING STANDARDS IMPLEMENTED LAST

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1 YEAR. AND THERE WAS NOTHING -- WE DIDN'T HAVE ANY
2 CORRECTED OR UNCORRECTED FINANCIAL STATEMENT
3 MISSTATEMENTS THAT WE WOULD HAVE TO REPORT.

4 THE ONE ITEM THAT WAS NEW LAST YEAR WAS WE
5 HAVE A SUBSEQUENT EVENT DISCLOSURE IN THE FINANCIAL
6 STATEMENTS. A SUBSEQUENT EVENT IS SOMETHING THAT
7 HAPPENS AFTER THE BALANCE SHEET DATES OR AFTER JUNE
8 30TH BUT BEFORE THE ISSUANCE DATE OF OUR AUDITOR'S
9 REPORT. AND THIS WAS THE PROPOSITION 14, WHICH
10 WAS -- WE HAD TO -- SO THAT'S KIND OF WHY WE HAD TO
11 KEEP OUR -- WE HAD TO -- WE COULDN'T ISSUE OUR
12 REPORT UNTIL THE PROPOSITION PASSED BECAUSE THAT WAS
13 GOING TO BE A MATERIAL -- OR SOMETHING THAT WOULD
14 AFFECT CIRM MATERIALLY THAT WE HAD TO PUT A
15 DISCLOSURE IN THERE FOR. SO ONCE IT PASSED, WE
16 ISSUED OUR REPORT AFTER THAT. THAT WAS THE
17 MAIN -- THAT WAS THE MAIN THING I WANTED TO
18 HIGHLIGHT THIS YEAR.

19 AND THEN GOING ON TO OUR LAST REPORT IN
20 THE VERY BACK, I BELIEVE IT'S ON PAGE 22 AND 23 OF
21 OUR INDEPENDENT AUDITOR'S REPORT ON INTERNAL
22 CONTROLS AND ON COMPLIANCE. SO AGAIN, I MENTIONED
23 THIS AUDIT WE PERFORMED NOT ONLY IN ACCORDANCE WITH
24 GENERALLY ACCEPTED AUDITING STANDARDS, BUT THEN ALSO
25 WITH GOVERNMENT AUDITING STANDARDS, WHICH PUTS AN

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1 ADDITIONAL LEVEL OF THINGS THAT WE HAVE TO CONSIDER
2 AS PART OF OUR AUDIT, IN THIS CASE BEING THE
3 INTERNAL CONTROLS AT CIRM AND THEN THE COMPLIANCE
4 WITH THE LAWS AND REGULATIONS AND GRANTS. IN THIS
5 CASE THE MOST SIGNIFICANT WOULD BE PROP 71 FROM LAST
6 YEAR.

7 SO AS WE GO THROUGH THIS REPORT, YOU WILL
8 SEE THAT WE DON'T -- AS PART OF OUR AUDIT AND A PART
9 OF OUR PLAN OF THE AUDITS, WE HAVE TO CONSIDER THE
10 INTERNAL CONTROLS IN PLACE AT CIRM, BUT WE DON'T
11 PROVIDE ANY ASSURANCE OR ANY OPINION OVER THEM.
12 HOWEVER, IF DURING OUR AUDIT WE BECOME AWARE OF A
13 DEFICIENCY IN INTERNAL CONTROLS THAT ARE SO
14 SIGNIFICANT OR THAT WE BELIEVE IT RISES TO A LEVEL
15 OF A SIGNIFICANT CONTROL DEFICIENCY OR MATERIAL
16 WEAKNESS, WE WOULD HAVE TO REPORT THAT TO THE ICOC
17 AND CFAOC IN THIS REPORT. AGAIN, WE WERE HAPPY THAT
18 THERE ARE NO SUCH ITEMS TO REPORT THERE. SO WE HAD
19 NO CONTROL DEFICIENCIES. AND THEN THE LAST ITEM
20 BEING THE COMPLIANCE WITH LAWS, REGULATIONS, AND
21 GRANT AGREEMENT CONTRACTS. ALSO PART OF OUR AUDIT
22 IN ACCORDANCE WITH THE GOVERNMENT AUDITING
23 STANDARDS, WE HAVE TO CONSIDER WHICH LAWS,
24 REGULATIONS, GRANTS, CONTRACTS, NONCOMPLIANCE WITH
25 WHICH COULD AFFECT -- COULD MATERIALLY AFFECT THE

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1 FINANCIAL STATEMENTS. AND, AGAIN, WE HAD NO
2 INSTANCES OF NONCOMPLIANCE THERE. SO WE DO PERFORM
3 PROCEDURES TO LOOK FOR THAT, BUT WE DIDN'T COME
4 ACROSS ANY FOR THE LAST YEAR OR SO.

5 AND SO WITH THAT, I'LL ASK IF THERE'S ANY
6 QUESTIONS.

7 CHAIRWOMAN YEE: THANK YOU, MR. HARNER.
8 LET ME JUST TURN TO THE COMMITTEE MEMBERS TO SEE IF
9 THERE ARE ANY QUESTIONS FOR YOU. SEEING NONE, I DO
10 HAVE ONE QUESTION, MR. HARNER. AND THAT IS THANK
11 YOU FOR THE EXPLANATION OF THE SIGNIFICANT EVENT
12 DISCLOSURE AND OBVIOUSLY WITH THE PASSAGE OF PROP 14
13 PRIOR TO THE NOVEMBER 20TH CLOSE DATE OF THE AUDIT.
14 IF THE PROPOSITION HAD NOT PASSED, WOULD THAT HAVE
15 CONSTITUTED A SIGNIFICANT EVENT DISCLOSURE AS WELL?

16 MR. HARNER: YES. YEAH, ABSOLUTELY.
17 BECAUSE THAT WOULD -- THAT ALSO WOULD MATERIALLY
18 AFFECT CIRM BECAUSE, IN EFFECT, WE WOULD HAVE HAD
19 WIND-DOWN AND THERE WOULD HAVE BEEN -- WE WOULD HAVE
20 HAD, MAYBE NOT NOW, BUT ANOTHER THING CALLED A GOING
21 CONCERN.

22 CHAIRWOMAN YEE: RIGHT.

23 MR. HARNER: EITHER WAY, WE HAD TO KEEP IT
24 OPEN TO SEE WHAT THE RESULTS WERE.

25 CHAIRWOMAN YEE: GREAT. THANK YOU. ALL

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1 RIGHT. I DON'T SEE ANY OTHER QUESTIONS BY COMMITTEE
2 MEMBERS. AND IF YOU DO, I'M NOT SEEING YOU ALL ON
3 THE SCREEN. SO IF YOU DO, JUST FEEL FREE TO TURN ON
4 YOUR MIC.

5 I'M GOING TO INVITE MS. SIMPSON TO COME
6 FORWARD TO SEE IF CIRM HAS ANYTHING IN RESPONSE TO
7 THE AUDIT FINDINGS AT THIS TIME.

8 MS. SIMPSON: GOOD MORNING, CONTROLLER YEE
9 AND BOARD MEMBERS. CIRM HAS MANY CONTROLS IN PLACE
10 THAT RESULTED IN THE AUDIT FINDINGS, AND WE AGREE
11 WITH THEM. WE AGREE WITH THE AUDIT FINDINGS.

12 CHAIRWOMAN YEE: GREAT. THANK YOU VERY
13 MUCH. ALL RIGHT.

14 I'M NOW GOING TO TURN TO KIM TARVIN IN MY
15 OFFICE. SHE IS THE AUDIT DIVISION CHIEF IN THE
16 STATE CONTROLLER'S OFFICE. AND WHAT THE
17 CONTROLLER'S OFFICE DOES IS WE PROVIDE A QUALITY
18 CONTROL REVIEW OF THE MACIAS, GINI & O'CONNELL CIRM
19 AUDIT FOR THE FISCAL YEAR ENDING JUNE 30TH OF 2020.
20 SO, MS. TARVIN.

21 MS. TARVIN: HI, EVERYONE. THANK YOU VERY
22 MUCH, CONTROLLER YEE AND COMMITTEE MEMBERS. I
23 APPRECIATE THE OPPORTUNITY TO SHARE THE RESULTS OF
24 OUR QUALITY REVIEW AS IT IS A REALLY IMPORTANT PART
25 OF THIS PROCESS, I THINK, FOR THE FINANCIAL

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1 STATEMENT AUDIT AND THE INTERNAL CONTROL AND
2 COMPLIANCE PORTIONS OF THE CIRM TO DATE.

3 SO EVERY YEAR AFTER THE FINANCIAL
4 STATEMENT AUDIT OF THE CIRM IS COMPLETED, WE AT THE
5 STATE CONTROLLER'S OFFICE, DIVISION OF AUDITS HAS
6 THIS OVERSIGHT ROLE. AND IT IS REQUIRED BY THE
7 HEALTH AND SAFETY CODE THAT WE CONDUCT A QUALITY
8 CONTROL REVIEW OF THE AUDIT FIRM'S WORK.

9 THE PURPOSE OF THIS REVIEW IS REALLY TO
10 PROVIDE ASSURANCE TO THIS COMMITTEE AND OTHER USERS
11 OF THE AUDIT REPORT REGARDING THE QUALITY OF THE
12 AUDIT WORK AND FOR YOUR CONSIDERATION AS YOU LOOK AT
13 THE AUDIT REPORT RESULTS AND THE INFORMATION THAT'S
14 INCLUDED IN THE FINANCIAL STATEMENT AUDIT OF THE
15 CIRM.

16 SO REALLY JUST TO GIVE YOU A LITTLE BIT OF
17 BACKGROUND OF WHAT WE DO WHEN WE DO A QUALITY
18 CONTROL REVIEW IS THAT WE VERIFY THE AUDIT FIRM
19 CONDUCTED THE FINANCIAL STATEMENT AND THEIR INTERNAL
20 CONTROL COMPLIANCE PORTIONS IN ACCORDANCE WITH, AS
21 CRAIG HAD MENTIONED, THE PROFESSIONAL AUDIT
22 STANDARDS. AND THAT IS BOTH OF THE AUDIT STANDARDS.
23 THE GENERALLY ACCEPTED AUDITING STANDARDS IS ONE
24 LEVEL, AND THEN AS CRAIG MENTIONED THE GOVERNMENT
25 AUDITING STANDARDS IS ANOTHER LEVEL THAT ADDS IN THE

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1 INTERNAL CONTROL AND THE COMPLIANCE REPORTS INTO THE
2 AUDIT REPORT.

3 SO WE CONDUCT A QUALITY REVIEW OF ALL OF
4 THEIR WORK. WE LOOK AT THE WORKING PAPERS, WE LOOK
5 AT THE REQUIRED AUDIT STANDARDS, AND WE COMPARE
6 THEM, AND WE VERIFY WHETHER EVERY SINGLE ONE OF
7 THOSE APPLICABLE PROFESSIONAL AUDIT STANDARDS ARE
8 FOLLOWED AND ALSO WHAT THE BUSINESS AND PROFESSIONS
9 CODE OF REQUIREMENTS AS WELL.

10 SO AS WAS JUST PRESENTED, THIS YEAR CIRM
11 AUDIT REPORT WAS CONDUCTED BY MACIAS, GINI &
12 O'CONNELL. AND WE DID COMPLETE OUR QUALITY CONTROL
13 REVIEW OF THE WORK RELATED TO THAT SPECIFIC
14 FINANCIAL STATEMENT AUDIT. AND BASED ON OUR REVIEW,
15 WE DID CONCLUDE THAT MACIAS, GINI & O'CONNELL
16 CONDUCTED A FINANCIAL STATEMENT AUDIT, INCLUDING THE
17 INTERNAL CONTROL COMPLIANCE REPORTS, IN COMPLIANCE
18 WITH THE PROFESSIONAL AUDIT STANDARDS, BOTH OF THEM,
19 AND THE CALIFORNIA BUSINESS AND PROFESSIONS CODE.
20 AND THAT SPECIFICALLY RELATES TO CIRM'S FINANCIAL
21 STATEMENT AUDIT FOR THE YEAR ENDED JUNE 30, 2020.
22 AND WE DID ISSUE THOSE RESULTS IN OUR OWN REPORT
23 ALSO WHICH WE ISSUED RECENTLY, NOVEMBER 1ST, 2021.
24 SO THAT INCLUDES THOSE RESULTS AND A LITTLE BIT OF
25 BACKGROUND AND THE SCOPE OF OUR WORK THERE AS WELL.

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1 AND I'D BE HAPPY TO ANSWER ANY QUESTIONS THAT WE
2 HAVE RELATED TO THAT.

3 CHAIRMAN THOMAS: THANK YOU, MS. TARVIN,
4 VERY MUCH. DR. QUICK, DID I SEE YOUR HAND UP PRIOR?
5 NO. OKAY.

6 MEMBER LOTT: IT'S JUST AN INQUIRY
7 QUESTION. IN LOOKING AT THESE OVER THE YEARS, I'VE
8 NEVER SEEN, AND IT'S NOT THAT IT'S NECESSARY, JUST
9 TO HAVE SOME EXPLANATION, I'VE NEVER SEEN ANY
10 MANAGEMENT CONTROL OR MANAGEMENT REFERENCES IN ANY
11 OF THE AUDIT REPORTS. NOT THAT THERE'S AN ISSUE,
12 BUT DOES ANYONE EVER LOOK AT MANAGEMENT PRACTICES?

13 CHAIRWOMAN YEE: MR. HARNER, IF YOU WANT
14 TO TAKE THAT FIRST AND I'LL FOLLOW UP WITH
15 MS. TARVIN.

16 MR. HARNER: AS FAR AS MANAGEMENT
17 PRACTICES, I'LL ANSWER THIS IN A COUPLE WAYS AND SEE
18 WHICH WAY YOU'RE GOING WITH THIS. THE CONTROLLER'S
19 OFFICE, WHEN THEY REVIEW US, THEY ACTUALLY REVIEW IN
20 ADDITION TO THE AUDIT WORKPAPERS, THEY ACTUALLY DO
21 LOOK AT OUR -- THEY LOOK AT ALL THE STAFF THAT WERE
22 ASSIGNED TO WORK ON THE CIRM ENGAGEMENT, THEY LOOK
23 THROUGH WHAT WE CALL CONTINUING PROFESSIONAL
24 EDUCATION RECORDS, OUR CPE RECORDS, TO MAKE SURE WE
25 HAVE -- THAT THE PEOPLE ARE GETTING THEIR REQUISITE

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1 TRAINING AND THAT THEY'RE QUALIFIED TO BE ABLE TO
2 WORK ON AN AUDIT THAT'S INCLUDING SPECIFIC TRAINING
3 TO WHAT WE CALL YELLOW BOOK OR THE INTERNAL CONTROLS
4 AND COMPLIANCE GOVERNMENT AUDITING STANDARDS.

5 CHAIRWOMAN YEE: THANK YOU, MR. HARNER.
6 MS. TARVIN.

7 MS. TARVIN: YEAH. I WAS WONDERING, MR.
8 LOTT, IS YOUR QUESTION RELATED TO THE FINANCIAL
9 STATEMENT AUDIT IN CIRM AND THEIR MANAGEMENT
10 PRACTICES, OR WAS YOUR QUESTION RELATED TO THE
11 QUALITY CONTROL REVIEW PORTION?

12 MEMBER LOTT: THE FORMER.

13 MS. TARVIN: SO THE CIRM'S MANAGEMENT
14 PRACTICES. SO WHEN YOU LOOK AT THE FINANCIAL
15 STATEMENT AUDIT, IT WOULD PROBABLY BE MORE
16 APPROPRIATE FOR CRAIG TO RESPOND, BUT THAT WOULD
17 RELATE TO THE INTERNAL CONTROL REVIEW PIECE THERE.
18 CRAIG, DID YOU WANT TO ADD ANYTHING --

19 MR. HARNER: YEAH. I'LL ADD ON THERE.
20 THAT'S THE OTHER WAY I WAS GOING TO GO TOO, HOW I
21 WAS INTERPRETING THE QUESTION. SO THAT IS KIND OF
22 THE PURPOSE OF THAT SECOND INDEPENDENT AUDITOR'S
23 REPORT THAT WE INCLUDE THAT RELATES TO THE INTERNAL
24 CONTROLS AND ALL THE COMPLIANCE WITH THE AUDIT
25 PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING

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1 STANDARDS, THAT IF WE DO COME ACROSS ANY
2 DEFICIENCIES IN INTERNAL CONTROLS, WHICH CONCLUDES
3 MANAGEMENT PRACTICES, WE HAVE TO REPORT THOSE TO THE
4 COMMITTEE THEN. WE JUST HAVEN'T HAD ANYTHING THAT'S
5 RISEN TO THAT LEVEL OVER THE YEARS.

6 MEMBER LOTT: THANK YOU.

7 CHAIRWOMAN YEE: THANK YOU, MR. LOTT, FOR
8 THE QUESTION. OTHER QUESTIONS FROM COMMITTEE
9 MEMBERS? OKAY. I DON'T SEE ANY. LET ME MOVE TO
10 MS. O'DONAHUE TO SEE IF THERE ARE ANY MEMBERS OF THE
11 PUBLIC WHO WISH TO ADDRESS THE COMMITTEE ON THIS
12 ITEM.

13 MS. O'DONAHUE: GOOD MORNING, CONTROLLER.
14 WE DO NOT SEE ANY HAND RAISED OR FOLKS IN THE QUEUE
15 ON THIS PARTICULAR ITEM FOR PUBLIC COMMENT.

16 CHAIRWOMAN YEE: GREAT. THANK YOU VERY
17 MUCH.

18 MEMBERS, THIS IS NOT AN ACTION ITEM. THIS
19 IS JUST TO RECEIVE THE REPORT. AND AS YOU CAN SEE,
20 IT IS SOMETHING THAT IS DONE WITH A GREAT DEGREE OF
21 DILIGENCE AND CARE AND CERTAINLY JUST LAYERS OF
22 OVERSIGHT COMPLIANCE STANDARDS. SO WE ARE PLEASED
23 TO ACCEPT THE REPORT WITHOUT OBJECTION. SEEING
24 NONE, WE WILL ACCEPT THE AUDIT REPORT AND THE
25 CONTROLLER'S QUALITY CONTROL REVIEW OF IT. THANK

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1 YOU VERY MUCH, MR. HARNER, MS. TARVIN.

2 MS. TARVIN: THANK YOU.

3 CHAIRWOMAN YEE: MS. SIMPSON AS WELL.

4 THANK YOU. THANK YOU, MEMBERS.

5 WE WILL NOW MOVE TO ITEM NO. 6, AND THIS
6 IS THE STATUS UPDATE OF THE CIRM FINANCIAL
7 PERFORMANCE, THE CURRENT BUDGET, THE UPDATE OF THE
8 GRANTS AWARDED, AND CLINICAL TRIALS, AND THE FUTURE
9 OF CIRM. AND I'M HAPPY TO WELCOME BACK POUNEH
10 SIMPSON AND THEN WE WILL HAVE DR. MILLAN FOLLOW ON
11 WITH JUST TALKING ABOUT WHAT'S AHEAD ON THE HORIZON.

12 MS. SIMPSON: AGAIN, I'M POUNEH SIMPSON,
13 THE DIRECTOR OF FINANCE. THANK YOU VERY MUCH FOR
14 THE OPPORTUNITY TO PRESENT THE CIRM FINANCIAL UPDATE
15 TODAY.

16 I WANTED TO FIRST REVIEW THE AGENDA WITH
17 YOU. FISCAL YEAR 20/21 WAS AN UNUSUAL YEAR FOR
18 CIRM. SO I WILL PROVIDE AN UPDATE ON THE TWO-STEP
19 BUDGET WHICH WAS APPROVED BY OUR GOVERNING BODY, THE
20 FINANCIAL RESULTS OF THAT BUDGET, AND THE MAJOR
21 DRIVERS THAT LED TO THOSE FINANCIAL RESULTS. THEN I
22 WILL UPDATE YOU ON THE 21/22 BUDGET THAT WAS
23 APPROVED BY OUR INDEPENDENT CITIZEN OVERSIGHT
24 COMMITTEE. I WILL INCLUDE SOME OF THE MAJOR DRIVERS
25 OF THIS BUDGET AND THE MID-YEAR ADJUSTMENT THAT IS

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1 FORTHCOMING.

2 AS WE REPORTED LAST YEAR, THE STRUCTURE OF
3 THE 20/21 BUDGET WAS DIFFERENT FROM THE ONES YOU HAD
4 SEEN IN THE PAST. IT WAS A SPLIT BUDGET WHERE WE
5 WERE ANTICIPATING THE SUNSET OF CIRM AND THE
6 CLOSEOUT OF PROP 71 AT THE BEGINNING OF THE YEAR,
7 AND THEN THE PASSAGE OF PROP 14 CHANGED THAT IN THE
8 SECOND HALF OF THE YEAR. SO FORTUNATELY PROP 14
9 PASSED, AND WE HAD THE OPPORTUNITY TO PRESENT AN
10 ADJUSTED BUDGET TO OUR GOVERNING BODY WHICH WAS
11 APPROVED.

12 SO HERE IN THIS CHART I'M SHOWING YOU THE
13 CATEGORICAL BUDGET FOR CIRM FOR 20/21. THE FIRST
14 COLUMN REPRESENTS THE BUDGET THAT WAS APPROVED BY
15 THE BOARD, WHICH IS APPROXIMATELY \$15.3 MILLION.
16 THE SECOND COLUMN IS THE ACTUAL EXPENDITURES AT THE
17 END OF THE YEAR, ROUGHLY \$13.2 MILLION. AND THE
18 THIRD COLUMN IS THE VARIANCE, INCLUDING BOTH THE
19 INCREASES AND THE SAVINGS IN THE DIFFERENT
20 CATEGORIES.

21 SO IN THIS PIE CHART WE ARE SHOWING THE
22 FOUR MAJOR DRIVERS OF THE VARIANCES IN THOSE
23 CATEGORIES. AND IN THE NEXT FEW SLIDES I'M GOING TO
24 DELVE INTO THOSE WITH A LITTLE MORE DETAIL. THE
25 LARGEST AREA OF SAVINGS FOR US WAS IN THE AREA OF

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1 EMPLOYEE EXPENSES. HERE WE REALIZED \$1.1 MILLION
2 SAVINGS OR ROUGHLY 12 PERCENT RESULTING FROM THE
3 FACT THAT, IN THE BEGINNING OF THE YEAR, WE WERE
4 ANTICIPATING A WIND-DOWN. SO WHEN A VACANCY
5 OCCURRED, WE WERE NOT FILLING THOSE POSITIONS. WE
6 WERE RATHER LEVERAGING THE EXISTING STAFF,
7 CROSS-TRAINING THEM, AND CONTINUING THE WORK OF CIRM
8 IN ANTICIPATION OF THE PASSAGE OF THE PROPOSITION.

9 WHEN THE REVISED BUDGET WAS PASSED, WE
10 WERE APPROVED FOR AN ADDITIONAL NINE POSITIONS, SIX
11 OF WHICH WE DID FILL, BUT THAT DID RESULT IN SOME
12 SALARY SAVINGS THAT WE WERE ABLE TO PRESENT.

13 THE SECOND CATEGORY IS EXTERNAL SERVICES.
14 IN THIS CATEGORY WE HAD SOME CONTRACTS IN PLACE FOR
15 THE VARIOUS MEETINGS AND REVIEWS THAT CIRM HOLDS IN
16 ADDITION TO SOME CONTRACTS IN PLACE DUE TO THE LOWER
17 LEVEL OF STAFFING IN OUR LEGAL OFFICE SO THAT WE HAD
18 THE RESOURCES AVAILABLE TO BE ABLE TO MANAGE OUR
19 GRANT PORTFOLIO SHOULD ANY UNIQUE LEGAL INQUIRIES
20 COME UP. AGAIN, WE DIDN'T HAVE TO USE SOME OF THOSE
21 CONTINGENCY CONTRACTS, SO WE REALIZED A 30-PERCENT
22 SAVINGS IN THIS CATEGORY OR ROUGHLY \$500,000.

23 THE THIRD AREA OF SAVINGS FOR US WAS THE
24 REVIEWS, MEETINGS, AND WORKSHOPS. IN THIS AREA WE
25 WERE ANTICIPATING RETURNING TO THE OFFICE OR HAVING

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1 SOME IN-PERSON MEETINGS WHICH GOT PUT OFF AS THE
2 COVID PANDEMIC CONTINUED. WITH THE NEED FOR SOCIAL
3 DISTANCING AND REMOTE MEETINGS, WE WERE ABLE TO
4 REALIZE SOME SAVINGS HERE, ROUGHLY \$286,000.

5 AND, FINALLY, IN THE AREA OF EQUIPMENT AND
6 SUPPLIES, WE REALIZED SOME SAVINGS HERE BECAUSE WE
7 HAD ANTICIPATED PURCHASING SOME PERSONAL PROTECTIVE
8 EQUIPMENT WHEN EMPLOYEES RETURNED AND ALSO SOME MOVE
9 COSTS THAT WE DID NOT HAVE TO INCUR LAST FISCAL
10 YEAR. SO HERE WE REALIZED A SAVINGS OF \$251,000.

11 SO NOW I'M GOING TO MOVE ON TO THE 21/22
12 BUDGET. WITH THE PASSAGE OF PROP 14 AND TO CONTINUE
13 CIRM AND RELAUNCHING IT, WE INCREASED BY AN
14 ADDITIONAL NINE POSITIONS FOR A TOTAL OF 49
15 POSITIONS. IN 21/22 WE INCREASED SOME OF OUR
16 FACILITY COSTS DUE TO AN INCREASE IN RENT, AND WE
17 HAD SOME CONTINGENCY FUNDING FOR LEGAL SERVICES,
18 AGAIN LIKE PREVIOUS YEARS, TO HAVE THE RESOURCES IN
19 PLACE TO BE ABLE TO MANAGE OUR GRANT PORTFOLIO.

20 THERE IS A MID-YEAR ADJUSTMENT THAT WILL
21 BE PRESENTED TO OUR BOARD SHORTLY. IT WILL INCLUDE
22 THE IMPLEMENTATION OF THE NEW STRATEGIC PLAN, WHICH
23 DR. MILLAN WILL BE TOUCHING ON SHORTLY, AN INCREASE
24 TO SUPPORT THE NEW INITIATIVE, INCREASE IN STAFF TO
25 SUPPORT THE NEW INITIATIVE, SOME COSTS RELATED TO

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1 MOVING TO A NEW LOCATION, AND SOME ADJUSTMENTS FOR
2 RETIREMENT BENEFITS.

3 I THINK, IN SUMMARY, THIS LAST COUPLE OF
4 YEARS HAS BEEN UNIQUE FOR US AT CIRM, BUT WE ARE
5 GLAD TO HAVE THE CONTROLLER'S OFFICE AS A PARTNER.
6 IN THE PAST WE HAVE BEEN ABLE TO WORK WITH THE
7 CONTROLLER'S OFFICE TO IMPLEMENT SOME EFT PROCESSES,
8 AND WE LOOK FORWARD TO CONTINUING THAT EFFORT AND
9 CREATING MORE EFFICIENCIES IN THE WAY WE DO OUR
10 BUSINESS. AND THAT CONCLUDES MY PRESENTATION. I'M
11 HAPPY TO TAKE ANY QUESTIONS.

12 CHAIRWOMAN YEE: THANK YOU VERY MUCH, MS.
13 SIMPSON, FOR THE UPDATE. ARE THERE ANY QUESTIONS
14 FROM COMMITTEE MEMBERS? YES, DR. QUICK.

15 MEMBER QUICK: LET ME UNMUTE HERE. HERE
16 WE GO. SO I'M NOT SURE THIS IS THE BEST PLACE TO
17 ASK THIS QUESTION. IF IT ISN'T, WE CAN DEFER IT.
18 BUT, MS. SIMPSON, THANK YOU VERY MUCH FOR YOUR
19 PRESENTATION. AS I UNDERSTAND IT GOING FORWARD, ONE
20 OF THE THINGS THAT YOU AND DR. MILLAN WILL BE
21 WORKING HARD ABOUT IS, AS I UNDERSTAND IT, THERE
22 WILL BE NOW GOING FORWARD FOR THE CAP ON OVERHEAD
23 FROM PROP 14 MONEY. IS THAT CORRECT, FROM 7.5
24 PERCENT, I BELIEVE, OF YOUR TOTAL EXPENDITURES IS
25 GOING TO BE YOUR OPERATING BUDGET?

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1 MS. SIMPSON: SO BOTH IN PROP 71 AND IN
2 PROP 14, THE VOTERS PLACED SOME CAPS ON
3 ADMINISTRATIVE COSTS. SO, YES, WE WILL BE
4 ADMINISTERING THE WORK OF CIRM WITHIN THOSE CAPS.

5 MEMBER QUICK: AND IF I CAN FOLLOW UP A
6 LITTLE BIT ON THAT. SO I'M JUST TRYING TO
7 UNDERSTAND. AS I WAS LOOKING AT THE INDEPENDENT
8 AUDITOR'S REPORT, ON PAGE 11 THERE'S A DISCUSSION OF
9 WHAT IS MARKED AS STATE OPERATIONS. AND I BELIEVE
10 IT'S THE SAME NUMBER THAT YOU HAD IN YOUR SLIDES
11 WHERE IT SAYS 13.8 MILLION OR SOMETHING LIKE THAT.
12 ON A TOTAL EXPENDITURE OF A HUNDRED, IF I REMEMBER
13 CORRECTLY, SOMETHING LIKE 153 MILLION. AND IF I DO
14 THE MATH ON THAT, THAT'S LIKE 9 PERCENT. IS THAT
15 THE 7.5 PERCENT -- I MEAN IS THAT THE DIVISION THAT
16 WE SHOULD BE THINKING ABOUT AS WE THINK ABOUT ARE
17 YOU WITHIN YOUR 7.5 PERCENT?

18 MS. SIMPSON: SO I THINK JUST TO STEP
19 BACK, THE PROPOSITION HAD THE CAPS IN TERMS OF THE
20 SALE OF BONDS AND OUR USAGE OF A PORTION OF THE BOND
21 THAT IS SOLD. SO THAT PERCENTAGE APPLIES TO THE
22 SALE OF THAT PARTICULAR BOND FOR THAT PERIOD OF
23 TIME. AND SO THE \$13 MILLION OVERALL ADMINISTRATIVE
24 EXPENDITURES ARE REALLY WITHIN THAT CAP STILL. BUT
25 IN LOOKING AT THE LARGER BUDGET OF THE YEAR, YOU'RE

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1 SEEING SOME OF THE GRANTS THAT MAY HAVE BEEN
2 DEFERRED OR ARE STILL WAITING TO BE AWARDED, SO
3 YOU'RE NOT SEEING THE FULL PICTURE OF THE GRANT
4 PORTION. BUT THAT IS THE FULL ADMINISTRATIVE
5 PORTION OF THE EXPENDITURES.

6 MEMBER QUICK: GREAT. THANK YOU. I GUESS
7 THIS IS PROBABLY MORE APPROPRIATE FOR DR. MILLAN AND
8 YOU AS WELL THOUGH. SO AS YOU ARE GOING FORWARD
9 AND, AS YOU MENTIONED, COSTS ARE RISING AND THINGS
10 LIKE THAT, IS THAT 7.5 PERCENT NUMBER A DIFFICULT
11 NUMBER FOR YOU? IS THAT SOMETHING THAT YOU'RE
12 MONITORING OVER TIME? I WOULD LOVE TO SEE A NUMBER
13 OVER THE PAST NUMBER OF YEARS THAT QUANTIFIES WHAT
14 THAT PERCENTAGE IS JUST TO GIVE A SENSE TO THE
15 STATE, PUBLIC THAT YOU'RE WELL WITHIN YOUR BUDGET
16 AND THE DEMANDS OF BOTH 71 AND 14. I THINK THAT
17 WOULD JUST BE A GOOD, POSITIVE MESSAGE TO SAY THAT
18 YOU'RE MANAGING YOUR BUDGETS AND YOUR OVERHEAD COSTS
19 IN A VERY RESPONSIBLE WAY.

20 MS. SIMPSON: TO YOUR POINT, THE COSTS ARE
21 GOING UP. SO ONE OF THE THINGS WE DO IN ORDER TO
22 MANAGE THE FULL PROPOSITION DOLLAR AMOUNT IS WE
23 PROJECT OUT THE FULL NUMBER OF YEARS THAT WE WOULD
24 NEED TO EXTEND THE ADMINISTRATIVE DOLLARS IN ORDER
25 TO BE ABLE TO MAKE SURE THAT CIRM IS IN PLACE TO BE

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1 ABLE TO GIVE THOSE GRANTS OUT. SO IN DOING THAT, WE
2 COME UP WITH AN ANNUAL AMOUNT THAT WE CAN SPEND, AND
3 WE DO STAY WITHIN IT PRIMARILY THROUGH COMING UP
4 WITH EFFICIENCIES, LEVERAGING THE RESOURCES WE HAVE,
5 AND GETTING BETTER AND MORE COST-EFFECTIVE IN HOW WE
6 DO OUR BUSINESS. SO, YES, WE PLAN FOR IT IN
7 ADVANCE, WE MANAGE WITHIN THAT, AND WE ARE ABLE TO
8 PRESENT A LONGER LOOK AT HOW THE PROPOSITION WILL BE
9 SPENT.

10 MEMBER QUICK: GREAT. THANK YOU VERY
11 MUCH.

12 CHAIRWOMAN YEE: THANK YOU, DR. QUICK.
13 AND, MS. SIMPSON, THANK YOU FOR THE RESPONSE.
14 PERHAPS WHAT WE CAN ASK AS MATERIALS FOR THE
15 COMMITTEE AND FOR THE AUDIT IS JUST MAYBE HAVE A
16 MORE CLEAR DISPLAY TO BE SURE THAT EVEN AS YOUR
17 PROJECTING OUT, THAT WE ARE MEETING THE REQUIREMENTS
18 OF THE PROPOSITION. AND OBVIOUSLY SUBJECT TO FLUX
19 AS WE KNOW, BUT I THINK DR. QUICK RAISES A GOOD
20 POINT IN TERMS OF JUST BEING SURE THAT EVEN WITH THE
21 LONG-TERM LOOK, THAT WE ARE STAYING WITHIN THE
22 LIMITATIONS OF THE PROPOSITION. SO WOULD APPRECIATE
23 SOME DISPLAY OF THAT GOING FORWARD.

24 MS. SIMPSON: BE HAPPY TO INCLUDE IT.

25 CHAIRWOMAN YEE: OKAY. GREAT. THANK YOU.

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1 ARE THERE OTHER QUESTIONS FROM THE COMMITTEE? IF
2 NOT, I JUST HAD A GENERAL QUESTION. THIS HAS TO DO
3 WITH THE LEASE EXTENSIONS AND JUST THE COST OF
4 FACILITIES. DO YOU HAVE A SENSE OF JUST KIND OF A
5 GENERAL TREND OF WHAT WE ARE LOOKING AT? AND
6 PARTICULARLY PROBABLY IT'S STILL SURPRISING TO SOME
7 OF US THAT, WITH RESPECT TO LEASES AND FACILITIES,
8 PARTICULARLY TRYING TO COME OUT OF THE COVID
9 PANDEMIC, THAT WE ARE FINDING OURSELVES MEETING
10 INCREASED COSTS RATHER THAN MAYBE JUST COSTS STAYING
11 RELATIVELY STABLE OR EVEN GOING DOWN. SO ANY
12 THOUGHTS ABOUT TRENDS RELATIVE TO THAT PIECE OF IT?

13 MS. SIMPSON: SO THE INCREASED LEASE
14 EXPENSES THAT WE HAD LAST FISCAL YEAR WERE BECAUSE
15 WE DIDN'T KNOW WHAT THE OUTCOME OF PROP 14 WAS. SO
16 WE HADN'T ENTERED INTO LONG-TERM LEASE CONTRACTS
17 WITH ANYBODY, AND OUR LEASE WAS COMING TO AN END IN
18 MARCH OF 2021. SO IN ORDER TO BRIDGE THAT GAP, WE
19 DID A ONE-YEAR EXTENSION OF OUR EXISTING LEASE AT
20 THE LOCATION WE ARE AT NOW. AND THAT WAS AT A
21 HIGHER PRICE BECAUSE IT WAS JUST A ONE-YEAR TERM
22 INSTEAD OF A LONG TERM.

23 BUT IN THIS FISCAL YEAR, SOME OF THE
24 PLANNING MONEY THAT WAS APPROVED BY OUR GOVERNING
25 BOARD WAS SPENT TO REALLY LOOK AT EXACTLY WHAT YOU

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1 WERE SAYING OF HOW CAN WE DECREASE OUR LEASE COSTS
2 AND FACILITY COSTS GIVEN THE IMPACTS OF COVID AND
3 MANY OF THE OTHER FACTORS THAT ARE NOW BEFORE US.
4 SO WE WERE ABLE TO FIND A LOCATION THAT WILL COST US
5 LESS, AND WE ARE IN THE PROCESS OF NEGOTIATING A
6 LEASE WITH THEM. SO HOPEFULLY NEXT FISCAL YEAR WHEN
7 WE ARE BEFORE YOU, WE WILL BE ABLE TO SHOW YOU THAT
8 THERE'S BEEN SAVINGS IN THAT CATEGORY.

9 CHAIRWOMAN YEE: GREAT. THANK YOU. THANK
10 YOU. OTHER COMMENTS, MEMBERS? I DON'T SEE ANY.
11 THANK YOU, MS. SIMPSON. REALLY APPRECIATE THE
12 UPDATE AND LOOK FORWARD TO THE REPORT IN THE COMING
13 YEAR.

14 NEXT I WILL TURN IT TO DR. MILLAN. HELLO.
15 WELCOME.

16 DR. MILLAN: THANK YOU SO MUCH, CONTROLLER
17 YEE AND MEMBERS OF THE CFAOC. I'LL BE PRESENTING AN
18 UPDATE, AND I WILL SHARE MY SCREEN IN JUST A MOMENT.

19 CHAIRWOMAN YEE: DR. MILLAN, BEFORE YOU
20 PROCEED, I JUST WANTED TO LET THE PUBLIC KNOW, EVEN
21 THOUGH THIS IS A FINANCIAL OVERSIGHT COMMITTEE, I
22 THINK THE REPORT WE ALWAYS WELCOME FROM YOU
23 CERTAINLY INFORMS THE WORK AND GIVES REALLY
24 CONTEXTUAL FOUNDATIONS TO HOW THIS COMMITTEE LOOKS
25 AT ITS RESPONSIBILITIES. AND I JUST FIRST WANTED TO

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1 OFFER SOME APPRECIATION TO JUST CIRM'S PIVOT TO
2 FOCUS ON COVID IN 2020. AND I KNOW YOU'LL PROBABLY
3 TALK A LITTLE BIT ABOUT THAT, BUT ALSO JUST YOUR
4 ONGOING COMMITMENT TO ENSURE DIVERSE ACCESS AND
5 PARTICIPATION IN THE GRANT-FUNDED CLINICAL TRIALS.
6 AND I KNOW WE'LL HEAR MORE ABOUT THAT, BUT I JUST
7 WANTED TO LET THE COMMITTEE MEMBERS KNOW, SOME OF
8 WHOM ARE NEW, THAT THIS DOES PROVIDE A CONTEXTUAL
9 FOUNDATION FOR AT LEAST PUTTING SOME LIFE, IF YOU
10 WILL, INTO THE NUMBERS THAT WE ARE SO FOCUSED ON.

11 DR. MILLAN: THANK YOU SO MUCH, CONTROLLER
12 YEE. AND WE ARE ALWAYS SO PLEASED TO HAVE THIS
13 CONVERSATION WITH THE CFAOC REGARDING THE PROGRAMS
14 TO PUT SOME COLOR AND DIMENSION TO THE NUMBERS THAT
15 YOU SEE.

16 AND I'M SHARING MY SCREEN. I'M WONDERING
17 IF YOU CAN SEE IT. AND IT'S CURRENTLY IN A FORMAT
18 THAT'S NOT A FULL SCREEN, BUT HOPEFULLY THIS IS
19 ENOUGH FOR YOU TO SEE BECAUSE I'M NOT ABLE TO
20 CONVERT IT TO THAT FULL SCREEN FORMAT.

21 CHAIRWOMAN YEE: WE CAN SEE IT, DR.
22 MILLAN.

23 DR. MILLAN: OKAY. WONDERFUL.

24 SO AS YOU ALLUDED TO EARLIER, TODAY I'D
25 LIKE TO GIVE AN UPDATE ON WHERE WE ARE AT CIRM. AND

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1 AS SHOWN BY THE TITLE SLIDE, LOOK OVER THE HORIZON
2 OF WHAT WE HAVE IN FRONT OF US GIVEN THE SUCCESSFUL
3 PASSAGE OF PROPOSITION 14.

4 I'D LIKE TO FIRST THANK THE CIRM TEAM WHO
5 PREPARED FOR THIS MEETING. MS. SIMPSON WHO CAME ON
6 BOARD, BUT SEEMS LIKE SHE'S BEEN HERE FOR A WHILE,
7 HAS DONE A SPECTACULAR JOB. AND ALSO MARIA
8 BONNEVILLE, WHO IS OUR VICE PRESIDENT OF BOARD
9 RELATIONS AND PUBLIC OUTREACH, HAS COORDINATED FOR
10 THIS AS WELL AS JENNIFER LEWIS AND CHILA
11 SILVA-MARTIN AND, OF COURSE, OUR CHAIR AND VICE
12 CHAIR. SO ON BEHALF OF THE CIRM TEAM, I'M VERY MUCH
13 LOOKING FORWARD TO GIVING YOU A REALLY BRIEF UPDATE
14 AND TO OUR DISCUSSION WHICH IS ALWAYS VERY FULL AND
15 VERY PRODUCTIVE AT THIS MEETING.

16 SO JUST BY WAY OF BACKGROUND, AS YOU KNOW,
17 CIRM WAS FORMED THROUGH PROPOSITION 71 IN 2004 WITH
18 A \$3 BILLION BOND INITIATIVE. AND JUST MOSTLY CIRM
19 WAS REAUTHORIZED FOR \$5.5 BILLION OF BOND FUNDING.

20 WHAT'S HAPPENED IN BETWEEN AND WHAT WE'VE
21 HAD AN OPPORTUNITY AND PLEASURE TO PRESENT TO THIS
22 COMMITTEE IS A PROGRESS OF CIRM. SO WE BELIEVE THAT
23 CIRM HAS AN IDENTITY AND A VALUE PROPOSITION AS AN
24 ACCELERATING PATIENT-CENTRIC FUNDER, PARTNER, AND
25 DERISKER FOR BASIC, TRANSLATIONAL, CLINICAL

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1 RESEARCH, AND A FUNDER OF INFRASTRUCTURE, CRITICAL
2 INFRASTRUCTURE, AND EDUCATION PROGRAMS TO BUILD THE
3 WORKFORCE OF TOMORROW. SO I'D LIKE TO FIRST KIND OF
4 GO OVER WHY WE SAY THAT TO SET US UP IN TERMS OF
5 WHERE OUR LAUNCHING POINT IS FOR THE NEW ERA UNDER
6 PROP 14.

7 SO OVER 1,030 PROJECTS HAVE BEEN FUNDED
8 THROUGH CIRM FUNDING BOTH FOR PROP 71. AND I WILL
9 GO EVEN IN THIS YEAR ALONE WITH PROP 14 THERE ARE
10 ADDITIONAL PROGRAMS THAT HAVE BEEN INITIATED.
11 IMMEDIATELY AFTER PROP 14 WAS PASSED, WE REOPENED
12 OUR PROGRAM ANNOUNCEMENTS. AND I WILL DESCRIBE THAT
13 IN A LITTLE BIT. WE ADVANCE STEM CELL RESEARCH AND
14 THERAPY DEVELOPMENT ACROSS A BROAD RANGE OF DISEASES
15 WITH 76 CLINICAL TRIALS NOW AND OVER 3,000 PATIENTS
16 ENROLLED IN THESE TRIALS. AND THESE TRIALS VARY
17 ACROSS DISEASE INDICATIONS FROM FIRST-IN-HUMAN
18 CLINICAL TRIALS TO PIVOTAL PHASE 3, MEANING THOSE
19 ARE THE TRIALS THAT ARE JUST BEFORE YOU GET FULL FDA
20 APPROVAL TO MAKE THIS MORE ACCESSIBLE BROADLY.

21 WE FUND PROGRAMS FROM COMMON DISEASES SUCH
22 AS DIABETES, STROKE, HEART DISEASE, AS WELL AS RARE
23 DISEASES, INBORN ERRORS IN METABOLISM, AND FATAL
24 GENETIC DISEASES. HAVE DEMONSTRATED ALREADY IN SOME
25 OF THESE TRIALS ACTUAL CURES. IN FACT, EVIE, WHO'S

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1 THE PICTURE ON THE RIGHT, YOU WILL RECOGNIZE AS OVER
2 SEVEN YEARS OUT FROM A TRIAL OUT OF UCLA FOR
3 TREATMENT OF HER IMMUNODEFICIENCY SYNDROME. SEVEN
4 YEARS OUT SHE'S CURED OF ADA-SCID THROUGH A GENE
5 CELL THERAPY, WHICH I DESCRIBED IN A PREVIOUS
6 MEETING. BUT AN UPDATE FROM THAT TRIAL IS THAT OVER
7 TEN PATIENTS ARE NOW APPROXIMATELY TEN YEARS OUT AND
8 STILL HAVE DURABLE CURE. THIS IS WITH A ONE-TIME
9 TREATMENT. SO THE PARADIGM THAT IS HERE IS CURATIVE
10 TREATMENTS AND DURABLE CURE OF DISEASES THAT HAVE
11 PREVIOUSLY NOT BEEN TREATABLE OR CURABLE.

12 AND BRENDAN ON THE LEFT IS AN EXAMPLE OF
13 ANOTHER DISEASE INDICATION CALLED CHRONIC
14 GRANULOMATOUS DISEASE ALSO CURED FROM A SIMILAR
15 APPROACH WITH GENE THERAPY. SO THE PROOF OF CONCEPT
16 IS THERE FOR CELL AND GENE AND REGENERATIVE MEDICINE
17 AS A NEW ERA IN TERMS OF EXPANDING OUR ABILITY TO
18 TREAT PATIENTS.

19 IT ALL STARTS WITH SOLID SCIENCE. AND AS
20 YOU KNOW, CIRM FUNDS BASIC RESEARCH AND
21 INFRASTRUCTURE TO SUPPORT THIS RESEARCH WITH OVER
22 3,000 PEER REVIEWED PUBLICATIONS. THE FUNDING,
23 ESPECIALLY EARLY ON, CRITICAL RESEARCH FACILITIES
24 AND SHARED RESEARCH LABORATORIES. I WILL DESCRIBE
25 LATER WHAT THE NEXT GENERATION OF THESE TYPES OF

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1 RESOURCES MAY LOOK LIKE. AND CIRM HAS FUNDED THE
2 CREATION OF THE WORLD'S LARGEST RESEARCH BANK OF
3 WHAT'S CALLED INDUCED PLURIPOTENT STEM CELLS WHICH
4 ARE MADE FROM EITHER SKIN OR BLOOD REPROGRAMMED TO
5 MAKE THEM EMBRYONIC LIKE. SO THIS IS VERY POWERFUL.
6 SO YOU CAN ACTUALLY STUDY DISEASES LIKE NEVER
7 BEFORE. SO THESE INDUCED PLURIPOTENT STEM CELLS CAN
8 COME FROM PATIENTS WITH A VARIETY OF DISEASES THAT
9 YOU CAN ACTUALLY STUDY THOSE DISEASES IN A DISH.

10 SO 2600 LINES HAVE BEEN CREATED FOR THIS
11 AND HAS BEEN USED WORLDWIDE TO ELUCIDATE DISEASES
12 AND LOOK FOR TARGETS. AND WE'VE ENABLED THE
13 INVENTION OF RESEARCH AND TRANSLATIONAL TOOLS AS
14 WELL AS CREATING GENE DATASETS, GENOMICS AND
15 BIOINFORMATICS TOOLS THAT REALLY EMPOWER OUR
16 UNDERSTANDING OF BIOLOGY AND DISEASE.

17 ALL TO GO TOWARD THERAPY DEVELOPMENT AND
18 CLINICAL TRIALS. SO IN ADDITION TO FUNDING THE
19 PIPELINE AND THE STARTING POINT FOR THIS RESEARCH,
20 WE FUNDED -- THE RESEARCH HAS LED TO OVER 90
21 CANDIDATES ADVANCING TO CLINICAL DEVELOPMENT. AND
22 AS I SAID EARLIER HAS FUNDED DIRECTLY 76 CLINICAL
23 TRIALS. ESTABLISHED FIRST-IN-KIND ALPHA STEM CELL
24 CLINICS NETWORK, WHICH IS A SPECIALIZED STEM CELL
25 AND REGENERATIVE MEDICINE CLINICAL TRIAL NETWORK

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1 ACROSS CALIFORNIA, AND ATTAINED WHAT'S CALLED AN
2 RMAT, REGENERATIVE MEDICINE ADVANCED THERAPY,
3 DESIGNATION FROM THE FDA, WHICH IS A NOVEL WAY TO
4 INTERACT WITH THE FDA AND SAFELY ACCELERATE THESE
5 PROGRAMS IN PARTNERSHIP WITH THE FDA.

6 THE CIRM PORTFOLIO PROGRAMS OBTAINED THE
7 FIRST OF THESE RMAT DESIGNATIONS THAT WAS FIRST MADE
8 POSSIBLE BY THE 21ST CENTURY CURES ACT. AND WE
9 STILL HAVE A GREAT NUMBER OF THOSE THAT HAVE BEEN
10 ASSIGNED BY THE FDA FOR ACCELERATED DEVELOPMENT, 15
11 PERCENT TO DATE.

12 CIRM, AS DESCRIBED IN THE PAST, HAS A
13 CONTINUOUS AND PREDICTABLE FUNDING MECHANISM SO THAT
14 POWERFUL DISCOVERIES HAVE A WAY TO GO TO BE
15 TRANSLATED AND THEN GO INTO THE PRECLINICAL SETTING
16 AND THEN TO CLINICAL TRIALS. SO THAT'S ALL ALIGNED
17 WITH OUR FUNDING OFFERINGS WHICH ALSO HAVE
18 ASSOCIATED WITH IT THE REQUIREMENT THAT THEY ALIGN
19 WITH WHAT THE REGULATORY REQUIREMENTS WOULD BE. AND
20 SO BY DESIGN THE PROGRAMS, THE SCIENTIFIC PROGRAMS,
21 THAT GO DOWN OUR PIPELINE HAVE ACCESS TO FUNDING AND
22 JUST REAL-TIME GUIDANCE THAT WOULD TEE THEM UP TO
23 HAVE A REGULATORY PATH TO BRINGING THEIR DISCOVERIES
24 TO THE CLINICS.

25 WE'VE ACCELERATED 73 PERCENT -- 73 PERCENT

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1 OF OUR PROGRAMS THAT ARE IN WHAT'S CALLED THE
2 IND-ENABLING PHASE, THAT MEANS THE PHASE THAT THE
3 TESTING AND THE WORK THAT NEEDS TO GO INTO A PROGRAM
4 BEFORE IT'S ACCEPTABLE BY THE FDA TO HIT CLINICAL
5 TRIAL, AND TYPICALLY THIS IS A HOLDUP. THIS IS ALL
6 IN THE VALLEY OF DEATH, AND ALL OF THE MANY PROGRAMS
7 KIND OF WITHER ON THE VINE AT THIS STAGE. BUT CIRM
8 HAS BEEN ABLE TO TAKE THESE PROGRAMS, AND 73 PERCENT
9 OF THEM HAVE BEEN ABLE TO OBTAIN AN IND, THE
10 PERMISSION TO GO TO A CLINICAL TRIAL, WITHIN TWO
11 YEARS. SO THAT IS A REMARKABLE TRACK RECORD.

12 IN ADDITION, THIS ALL GOES INTO BUILDING A
13 REGENERATIVE MEDICINE ECOSYSTEM IN CALIFORNIA. THIS
14 IS UNIQUE -- THIS IS THE ONLY KIND IN THE WORLD. SO
15 REALLY THE ENTIRE WORLD LOOKS TO THIS MODEL AS A
16 MODEL SYSTEM FOR HOW THINGS CAN BE. AND WITHIN THIS
17 ECOSYSTEM, OVER 3,000 STUDENTS AND SCHOLARS HAVE
18 BEEN TRAINED THROUGH OUR EDUCATION PROGRAM. AND AS
19 PRESENTED IN PAST MEETINGS, THIS HAS LED TO ECONOMIC
20 STIMULUS, AND WE EXPECT THAT WE WILL BE ABLE TO SEE
21 MORE IN THE FUTURE. AND THERE HAS BEEN A MAJOR
22 INFLUX OF INDUSTRY SUPPORT INTO THESE PROGRAMS. SO
23 THAT BOTH VALIDATES THAT THIS IS A FIELD THAT'S
24 MATURING AS WELL AS UNDERSTANDING THE SUCCESS OF THE
25 PROGRAM.

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1 SO FIVE YEARS AGO, THERE WAS VERY MINIMAL
2 INDUSTRY PULL, MEANING INDUSTRY INVESTMENTS. THERE
3 WAS INTEREST IN IT, BUT IT WAS TOO RISKY. AND TO
4 DATE, MOST OF WHICH HAS OCCURRED OVER THE PAST FIVE
5 YEARS, OUR PROGRAMS HAVE ATTRACTED OVER \$18 BILLION
6 IN INDUSTRY FUNDING BY WAY OF PARTNERSHIP, LICENSING
7 AGREEMENTS, ACQUISITION, IPO'S GOING TO THE PUBLIC
8 MARKET, AND FOLLOW-ON FINANCING.

9 I'M JUST GOING TO TAKE A MOMENT HERE TO
10 GIVE AN UPDATE FROM THE LAST MEETING. SO THE
11 2020/2021 INVESTMENTS WITH THE REMAINING FUNDS OF
12 PROP 71 ARE SHOWN HERE IN TERMS OF RESEARCH DOLLARS.
13 WE HAD VERY MINIMAL AMOUNTS OF FUNDING LEFT, BUT WE
14 WERE ABLE TO INVEST THOSE PRIMARILY IN THE LATER
15 STAGE PROGRAMS, IN TRANSLATIONAL AND CLINICAL
16 TRIALS. BUT WE ALSO LAUNCHED THE COVID PROGRAM, AS
17 YOU RECALL, TO FUND EARLIER STAGE AS WELL AS
18 TRANSLATIONAL STAGE RESEARCH. WE WERE ABLE TO DO
19 THIS BECAUSE THE WAY OUR FUNDING MECHANISM WORKS IS
20 THAT IT'S MILESTONE-BASED FUNDING. AND ON OCCASION
21 WE WILL GET RETURNED FUNDS, AND THOSE FUNDS CAN BE
22 USED TO FUND OTHER PROGRAMS THROUGH OUR PEER REVIEW
23 AND FUNDING MECHANISM.

24 SO THE TOTAL INVESTMENTS TO DATE ARE SHOWN
25 HERE, 480 MILLION IN INFRASTRUCTURE, 356 MILLION IN

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1 EDUCATION, ALMOST A BILLION DOLLARS IN DISCOVERY
2 RESEARCH, 371 MILLION IN TRANSLATION, AND 840
3 MILLION IN CLINICAL.

4 THIS HAS CONTINUED TO FUND A VERY DIVERSE
5 RESEARCH AND DEVELOPMENT PORTFOLIO SPANNING ACROSS
6 VARIOUS INDICATIONS, AS YOU CAN SEE VERY PROMINENTLY
7 IN NEUROLOGIC DISEASE, BLOOD, IMMUNE, CANCER,
8 CARDIOVASCULAR, BUT ALSO IN OTHER DISEASE AS SHOWN
9 HERE, AND DIABETES AND, OF COURSE, RARE DISEASE,
10 SOME OF THE EXAMPLES THAT I PRESENTED EARLIER.

11 BEFORE I GO INTO AN UPDATE, I WANTED TO
12 JUST SAY THAT EVEN AFTER -- IMMEDIATELY AFTER PROP
13 14 WAS PASSED, WE RESTARTED OUR RESEARCH PROGRAM
14 OFFERINGS. AND OUR TEAM HAS CONDUCTED 13 REVIEWS
15 YIELDING EIGHT CLINICAL REVIEWS, REVIEW OF CLINICAL
16 PROGRAMS, TWO REVIEWS FOR TRANSLATIONAL PROGRAMS, A
17 REVIEW FOR DISCOVERY STAGE PROGRAMS, AND TWO REVIEWS
18 FOR EDUCATIONAL PROGRAMS. AND THIS INVOLVES
19 BRINGING IN THE APPLICATION, REVIEW OF THE
20 APPLICATION BY OUR GRANTS WORKING GROUP,
21 CONSIDERATION BY OUR BOARD, AND THEN CONTRACTING
22 THESE ALL OUT.

23 SO THAT'S A REMARKABLE AMOUNT OF ACTIVITY.
24 WE WERE ABLE TO DO THAT BECAUSE WE HAD THE TEAM IN
25 PLACE. AS YOU RECALL, WE VERY CAREFULLY CRAFTED OUR

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1 TRANSITION PLAN THAT WAS FISCALLY RESPONSIBLE, YET
2 TEED US UP SO THAT WE WOULDN'T MISS A BEAT IF THE
3 PROPOSITION PASSED. AND SO THAT PAID OFF IN TERMS
4 OF BEING ABLE TO CONTINUE THAT FUNDING.

5 SO I WANTED TO JUST GIVE YOU SOME EXAMPLES
6 OF NEW PROGRAMS THAT AROSE JUST RECENTLY BECAUSE
7 THESE PROGRAMS CONTINUED. ONE OF THEM IS A CLINICAL
8 TRIAL BEING CONDUCTED BY DR. DIANE FARMER, WHO'S A
9 PEDIATRIC SURGEON AND RESEARCHER AT UC DAVIS. AND
10 THIS TRIAL IS FOR PATIENTS, FOR BABIES, WHO ARE BORN
11 WITHOUT A COVERING TO THEIR SPINAL CORDS CALLED
12 MYELOMENINGOCELE, WHICH RESULTS IN PARALYSIS. THERE
13 WAS A VERY STRONG PRECLINICAL PACKAGE AND ANIMAL
14 MODELS. DR. PHARMA AND HER TEAM HAVE RECEIVED,
15 UNDER A CIRM-FUNDED RESEARCH PROGRAM, HAD RECEIVED
16 PERMISSION FROM THE FDA TO PROCEED WITH A CLINICAL
17 TRIAL. AND THEN THEY, BECAUSE PROP 14 WAS PASSED,
18 WERE THEN ABLE TO COME BACK FOR THE FUNDING OF THIS
19 TRIAL. SO THAT'S REALLY VERY GRATIFYING THAT THIS
20 PROGRAM IS ABLE TO CONTINUE.

21 THIS PROGRAM UTILIZES A PLACENTAL
22 MESENCHYMAL STEM CELL-SEEDED DUAL MATRIX. THAT
23 MEANS THAT THERE IS A BIOLOGICAL TISSUE THAT'S THEN
24 SEEDED WITH THE STEM CELLS THAT SURGICALLY IN UTERO,
25 WHILE THE BABY IS STILL NOT BORN, IS SURGICALLY

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1 PLACED TO COVER THE SPINAL CORD. BY DOING THIS IN
2 UTERO, WHAT HAPPENS IS IT INCREASES THE PROBABILITY,
3 BASED ON THE PRECLINICAL STUDIES, OF THE BABIES
4 BEING BORN AND NOT LOSING THEIR MOTOR FUNCTION AS
5 THEY WOULD NORMALLY. SO THIS TRIAL IS NOW IN PHASE
6 1. THEY'RE DOSING PATIENTS, AND THAT IS ONGOING.
7 THAT IS KIND OF A MARK OF THE POWER OF BEING ABLE TO
8 CONTINUE THIS WORK UNDER PROP 14.

9 ANOTHER PROGRAM THAT IS IN THE CLINICS IS
10 A PROGRAM OUT OF CITY OF HOPE, WHICH IS EXPANDING
11 ITS PROGRAM TO PEDIATRIC ONCOLOGY. AND YOU MAY HAVE
12 HEARD IN MY PAST PRESENTATIONS THE PRESENTATIONS
13 ABOUT THE EXPLOSION OF WHAT'S CALLED CAR-T, CHIMERIC
14 ANTIGEN RECEPTOR T-CELL THERAPY, WHICH ESSENTIALLY
15 IS AN APPROACH THAT TAKES OUR T-CELLS, WHICH IS PART
16 OF OUR IMMUNE SYSTEM THAT'S RESPONSIBLE FOR
17 SURVEYING AND ATTACKING TUMORS, AND EMPOWERING THOSE
18 T-CELLS BY ENGINEERING THEM TO RECOGNIZE CERTAIN
19 RECEPTORS AND PROTEIN -- BY ENGINEERING THEM WITH
20 RECEPTORS THAT RECOGNIZE THE PROTEIN ON TUMORS TO
21 SEEK AND DESTROY.

22 THE FIRST CAR-T CELLS HAD BEEN APPROVED A
23 COUPLE OF YEARS AGO FOR BLOOD CANCERS. AND NOW NEXT
24 GENERATION CAR-T CELLS ARE STARTING TO MAKE THEIR
25 WAY INTO THE CLINICS. ONE OF THESE IS TARGETING

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1 IL13 RECEPTOR ALPHA 2, WHICH IS A MARKER ON
2 GLIOBLASTOMA ON PEDIATRIC BRAIN TUMORS. AND THIS
3 TRIAL IS BEING ADVANCED, AGAIN WITH CIRM FUNDING, AT
4 THE CITY OF HOPE WITH DR. WANG AS THE PI.

5 RELATED TO AN EXAMPLE OF A COVID PROGRAM
6 THAT WAS FUNDED LATE LAST YEAR UNDER THE EMERGENCY
7 COVID PROGRAM ANNOUNCEMENT IS A PROGRAM BY DR. HELEN
8 BLAU AT STANFORD. AND THIS FUNDING IS USED -- IT'S
9 AN EARLIER STAGE PROGRAM. DR. BLAU'S TEAM HAD
10 RECOGNIZED THAT THERE'S A NOVEL THERAPEUTIC APPROACH
11 THAT TARGETS PROSTAGLANDIN THAT CAN INDUCE MUSCLE
12 REGENERATION TO INDUCE THE MUSCLE STEM CELLS TO
13 REGENERATE.

14 AND THIS IS SIGNIFICANT IN COVID BECAUSE,
15 AS MANY OF YOU KNOW, THERE ARE CONSEQUENCES,
16 LONG-TERM CONSEQUENCES, EVEN AFTER RECOVERY FROM THE
17 ACUTE VIRAL INFECTION, BUT THE MOST EXTREME OF THAT
18 IS RESPIRATORY COMPLICATIONS, AND ESPECIALLY THOSE
19 WHO END UP A VENTILATOR. SO THERE IS -- THIS IS
20 LOOKING AT A MODEL OF WHAT'S CALLED DIAPHRAGM
21 ATROPHY. THE DIAPHRAGM IS WHAT'S USED TO CONTROL
22 OUR BREATHING. AND SO THIS IS A VERY EXCITING
23 PROGRAM THAT'S MAKING ITS WAY INTO DEVELOPMENT.

24 DR. BLURTON-JONES AT UC IRVINE HAS
25 RECEIVED FUNDING FOR A PLURIPOTENT STEM CELL-DERIVED

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1 MICROGLIA. THESE ARE CELLS THAT ARE IN THE BRAIN,
2 IN THE CENTRAL NERVOUS SYSTEM, FOR THE TREATMENT OF
3 A NEURODEGENERATIVE DISEASE, A RARE
4 NEURODEGENERATIVE DISEASE, CALLED ADULT ONSET
5 LEUKOENCEPHALOPATHY, WHICH IS A WHITE MATTER
6 DISEASE. SO THIS IS, AGAIN, A DISCOVERY PROGRAM
7 THAT WILL YIELD A FUTURE PIPELINE FOR POTENTIAL
8 THERAPY.

9 AS AN EXAMPLE OF WHERE STEM CELLS ARE
10 ENABLING AS A TOOL, THIS PROGRAM BY DR. KEVIN HEALY
11 AT BERKELEY, A COLLABORATION BETWEEN UC BERKELEY AND
12 ORGANOS, IS EVALUATING ESSENTIALLY HEART ON A CHIP,
13 SO STEM CELLS IN VITRO OR ON A DISH, TO LOOK AT
14 CARDIAC TOXICITY. AND THIS IS RELEVANT EVEN JUST
15 ACROSS THE BOARD FOR COVID THERAPIES AS WELL AS
16 OTHER TYPES OF DRUGS THAT ARE BEING DEVELOPED FOR
17 OTHER INDICATIONS.

18 SO THAT'S A WHIRLWIND, AND THOSE ARE JUST
19 EXAMPLES BECAUSE WE FUNDED EVEN JUST THIS YEAR ALONE
20 EIGHT CLINICAL TRIALS, ONE PRECLINICAL TRIAL, A
21 WHOLE HOST OF PROGRAMS THAT CAME THROUGH THE
22 DISCOVERY PROGRAM. SO WITH THIS CONTINUING, AND AS
23 YOU RECALL, THIS IS A RECURRENT PROGRAM
24 ANNOUNCEMENT. EVERY MONTH WE ACCEPT CLINICAL
25 APPLICATIONS. DISCOVERY AND TRANSLATIONAL AWARDS

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1 ARE OFFERED THROUGH THE YEAR.

2 SO IN SUMMARY, IN THE FIRST HALF OF THE
3 2020/2021 FISCAL YEAR, DURING THE WIND-DOWN, WE
4 COMPLETED THE FIVE-YEAR STRATEGIC PLAN. SO BY THE
5 END OF THE YEAR WE WERE ABLE TO ACHIEVE ESSENTIALLY
6 ALL OF THE GOALS SET FORTH IN THE LAST STRATEGIC
7 PLAN. AND THEN WITH THE PASSAGE OF PROP 14, OUR
8 FOCUS, IN ADDITION TO CONTINUING TO MAKE SURE THAT
9 OUR PILLAR PROGRAMS -- WE CALL THEM PILLARS BECAUSE
10 THEY'RE RECURRENT AND ARE STANDARD OFFERINGS --
11 WE'VE BEEN GOING THROUGH A VERY INTENSIVE PROCESS
12 ACTUALLY INITIATED LAST YEAR PLANNING FOR SUCCESS
13 BUT INTENSIFIED THIS YEAR AND ARRIVING AT A NEW
14 STRATEGY FOR CIRM.

15 AND I'D LIKE TO NOW GO INTO THE DRAFT
16 STRATEGY THAT WE PRESENTED TO THE BOARD JUST SEVERAL
17 WEEKS AGO.

18 THE APPROACH THAT WE UNDERTOOK IN
19 STRATEGIC PLANNING WAS ESSENTIALLY ORGANIZED INTO
20 FOUR MAJOR AREAS, WHICH IS TO ADVANCE WORLD-CLASS
21 SCIENCE, BUILD PATHWAYS TO COMMERCIALIZATION,
22 MAXIMIZE OUR IMPACT THROUGH OPERATIONAL EXCELLENCE,
23 AND INCREASE PATIENT ACCESS TO INNOVATIVE
24 TREATMENTS.

25 AS A TEAM, EARLY LAST YEAR WE PROPOSED TO

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1 OUR BOARD AND THEY AGREED THAT WE WOULD START
2 WORKING HARD AND LOOKING AT OUR PERFORMANCE, SEEKING
3 INPUT FROM EXTERNAL STAKEHOLDERS, AND DOING OUR DUE
4 DILIGENCE IN THESE AREAS TO COME UP WITH IDEAS. AND
5 THROUGH THE PROCESS OF THIS PAST YEAR AND A HALF, AS
6 WELL AS INPUT FROM BROAD STAKEHOLDERS, INCLUDING
7 SCIENTIFIC STAKEHOLDER MEETINGS, OUR PRESIDENT AND
8 JOINT PRESIDENT CHAIR, STRATEGIC SCIENTIFIC ADVISORY
9 PANEL THAT WAS HELD IN FEBRUARY OF THIS YEAR, INPUT
10 FROM OUR GWG, WHICH IS OUR EXPERT SCIENTISTS WHO
11 REVIEW PROGRAMS, AS WELL AS PROGRAM MEETINGS WITH
12 OUR GRANTEES THEMSELVES, AND IMPORTANTLY FROM THE
13 PATIENT AND THE COMMUNITY THROUGH A VARIETY OF
14 WORKSHOPS AND SYMPOSIA, AND INDUSTRY ENGAGEMENT, WE
15 HAVE ARRIVED AT A COUPLE OF THINGS.

16 FIRST OFF WITH OUR MISSION STATEMENT. AS
17 YOU RECALL, CIRM'S MISSION STATEMENT IS TO
18 ACCELERATE STEM CELL TREATMENTS TO PATIENTS WITH
19 UNMET MEDICAL NEEDS. WITH THE PASSAGE OF
20 PROPOSITION 14 AND INPUT AND THE THINKING THAT WAS
21 EVOLVING REGARDING OUR OPPORTUNITIES FOR THE
22 UPCOMING STRATEGY, WE HAVE REVISED THE DRAFT
23 MISSION STATEMENT TO ACCELERATING WORLD-CLASS
24 SCIENCE, TO DELIVER TRANSFORMATIVE REGENERATIVE
25 MEDICINE TREATMENTS TO CALIFORNIA AND WORLDWIDE.

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1 AND TO EXPLAIN WHY THESE WORDS WERE CHOSEN
2 SPECIFICALLY, WE FELT ACCELERATING IS STILL
3 IMPORTANT AND CORE TO WHAT WE OFFER AS A VALUE
4 PROPOSITION IN ACCELERATING THE SCIENCE. WE
5 ACCELERATE THROUGH OUR FUNDING PROGRAM, OUR
6 PARTNERSHIP MODEL, AND WHAT I'LL BE DESCRIBING AS
7 OUR TEAM SCIENCE.

8 DELIVERING TRANSFORMATIVE REGENERATIVE
9 MEDICINE TREATMENTS IN OUR UPCOMING STRATEGIC PLAN,
10 WHAT WE ARE PROPOSING IS THAT WE CREATE NOVEL
11 HEALTHCARE DELIVERY MODELS AND A TRAINED WORKFORCE
12 THAT BRING REAL-WORLD SOLUTIONS AND CURES TO OUR
13 DIVERSE COMMUNITY. AND I'LL DESCRIBE THAT IN A
14 LITTLE BIT.

15 AND TO CALIFORNIA AND WORLDWIDE SPEAKS TO
16 THE DIVERSE CALIFORNIA COMMUNITY AND ACCESS TO
17 CLINICAL TRIALS AND ENSUING TREATMENTS. AND ALSO
18 ACCESS TO EDUCATIONAL OPPORTUNITIES AND TO
19 SCIENTISTS ACROSS THE STATE.

20 I'M GOING TO GO INTO THE STRATEGIC PLAN
21 GOALS AND SOME EXPLANATION BEHIND THAT. I'D LIKE TO
22 OPEN IT UP IF THERE ARE ANY QUESTIONS SO FAR IN
23 TERMS OF WHAT I'VE PRESENTED.

24 CHAIRWOMAN YEE: THANK YOU, DR. MILLAN.
25 YES. PLEASE.

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1 DR. MILLAN: IF NOT, I CAN CONTINUE. I
2 JUST KNOW I THREW A LOT AT THIS TEAM.

3 CHAIRWOMAN YEE: THAT'S ALL RIGHT. I SEE
4 A HAND UP FROM DR. SARKISIAN. PLEASE.

5 MEMBER SARKISIAN: CONGRATULATIONS. THIS
6 IS JUST AWE INSPIRING, THAT YOU'VE BEEN ABLE TO
7 ACCOMPLISH THIS MUCH, ESPECIALLY DURING UNCERTAINTY.
8 I KNOW FROM RUNNING MY MUCH, MUCH, MUCH, MUCH
9 SMALLER SCALE LAB, THAT WHEN YOU DON'T KNOW IF THAT
10 NEXT ROUND OF FUNDING IS COMING IN, IT'S SO HARD TO
11 KEEP THE MORALE UP AND KEEP YOUR STAFF FUNCTIONING
12 AT A HIGH LEVEL. IT'S JUST INCREDIBLE THAT YOU WERE
13 ABLE TO ACHIEVE ALL THAT.

14 COUPLE OF QUESTIONS. SO THE 13 REVIEWS
15 THAT YOU WERE ABLE TO DO, THAT'S AMAZING. AND THEN
16 WHAT PERCENTAGE OF THE GRANT PROPOSALS THAT GET
17 REVIEWED ACTUALLY END UP GETTING FUNDED? AND THEN I
18 WAS CURIOUS TOO JUST APPROXIMATELY WHAT PERCENTAGE
19 OF YOUR PORTFOLIO GOES TO PRIVATE INDUSTRY VERSUS TO
20 ACADEMIC INSTITUTIONS. I KNOW SOME ARE PROBABLY
21 HYBRID.

22 DR. MILLAN: I WON'T GIVE YOU THE EXACT
23 NUMBER, BUT I'LL GIVE YOU, IF IT'S OKAY, UNOFFICIAL
24 GESTALT IF THAT'S OKAY.

25 MEMBER SARKISIAN: OF COURSE.

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1 DR. MILLAN: FOR CLINICAL PROGRAMS, I
2 THINK YOU MAY REMEMBER THAT IT'S A VERY UNIQUE
3 PROCESS WHERE PROPOSALS WILL COME IN AND THEY'LL GET
4 TIERED SCORES. IF IT'S JUST ABSOLUTELY PERFECT AND
5 JUST GOOD TO GO, IT'S CALLED A TIER I. AND VERY FEW
6 GET A TIER I RIGHT AWAY. BUT WHAT HAPPENS -- AND
7 THEN, OF COURSE, THERE'S TIER III, WHICH JUST SAYS
8 THAT THERE'S A LOT OF DEFICIENCIES THAT'S GOING TO
9 NEED A LOT OF WORK. BUT TIER IIS WE GET QUITE A FEW
10 OF, AND THAT IS WHERE OUR REVIEW TEAM -- OUR PEER
11 REVIEWERS ACTUALLY GIVE VERY SPECIFIC FEEDBACK THAT
12 SAYS THIS COULD BE GOOD IF YOU ADDRESS THIS, BRING
13 IN MORE DATA FOR THAT, CONSIDER THIS IN YOUR
14 APPROACH. AND ONCE THEY GO THROUGH THIS PROCESS OF
15 A TIER II FEEDBACK AND COMING BACK, SOMETIMES IT
16 TAKES ONE OR TWO TRIES COMING BACK, THEY'RE PRETTY
17 GOOD SUCCESS RATE BY THAT POINT. I THINK TO THE
18 TUNE OF LIKE 40 OR 50 PERCENT. EVEN TO BE ELIGIBLE
19 TO COME IN, THEY HAVE TO MEET CERTAIN CRITERIA. FOR
20 INSTANCE, FOR CLINICAL STAGE PROGRAMS, THEY HAVE TO
21 HAVE AN IND IN PLACE. THERE'S DEFINITELY -- SO WHAT
22 HAPPENS IS THEY'RE ALREADY DESIGNED TO BE STRONG
23 COMING IN. AND THEN WITH ADDITIONAL INPUT, THEY'RE
24 SUPPOSED TO BE STRONGER. SO THAT'S WHY THAT YIELD
25 IS HIGHER.

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1 WITH DISCOVERY STAGE PROGRAMS, THERE ARE
2 MORE OF THEM. SO THE PERCENTAGES ARE KIND OF LIKE
3 MORE LIKE 15, 20 PERCENT. AGAIN, THOSE ARE LESS
4 FREQUENT REVIEWS. I THINK TWICE OR THREE TIMES A
5 YEAR. HOWEVER, THERE'S ENOUGH OPPORTUNITY FOR THOSE
6 PROGRAMS, IF THEY ARE STRENGTHENED, TO COME BACK IN
7 LATER. AND TRANSLATIONAL AND OTHER PROGRAMS ARE
8 SIMILAR KIND OF IN BETWEEN.

9 I THINK THAT THAT IS THE QUESTION ABOUT
10 THE SUCCESS RATE OF THOSE PROGRAMS. I CAN'T
11 REMEMBER IF YOU HAD ANOTHER QUESTION.

12 MEMBER SARKISIAN: VERY CLEAR. THE OTHER
13 QUESTION WAS THE APPROXIMATE -- THANK YOU FOR
14 CLARIFYING THAT. THAT'S REALLY HELPFUL.

15 AND THEN THE PERCENTAGE ROUGHLY THAT GOES
16 TO PRIVATE INDUSTRY VERSUS TO ACADEMIC INSTITUTIONS
17 OF YOUR PORTFOLIO.

18 DR. MILLAN: FOR THE CLINICAL STAGE OR FOR
19 THE LATER STAGE PROGRAMS, WHEN WE LAST, AND I WILL
20 LOOK AT THIS AGAIN WITH THE RECENT DATA, IT WAS
21 ALMOST A 50-50 SPLIT FOR EARLY STAGE. BUT MANY OF
22 THESE EARLY STAGE COMPANIES ARE ACTUALLY SPIN-OUTS
23 OF ACADEMIA OR THEY'RE IN PARTNERSHIP. SO KIND OF
24 THE MAJOR PLACE WHERE THESE PROGRAMS ARE REALLY
25 BEING DEVELOPED IS STILL ACADEMIA. THAT'S WHO WE

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1 TAKE CARE OF. SO ANY INDUSTRY PARTNERSHIP IS TO
2 JUST ENABLE THESE TO GET FROM ACADEMIA TO GET OUT TO
3 PATIENTS. BUT THAT'S KIND OF BEEN OUR FOCUS IS
4 REALLY HOW DO WE ENABLE THAT PROCESS.

5 MEMBER SARKISIAN: THANK YOU.

6 CHAIRWOMAN YEE: THANK YOU, DR. SARKISIAN.

7 OTHER COMMENTS FROM MEMBERS, QUESTIONS? I

8 APOLOGIZE. I DON'T SEE ALL OF YOU ON MY SCREEN,

9 SO --

10 DR. MILLAN: I'M LOOKING AND I DON'T SEE

11 ANY HANDS UP. SO I'LL GO AHEAD AND PROCEED.

12 CHAIRWOMAN YEE: GREAT. DR. MILLAN, I DID

13 HAVE ONE QUESTION. AND FIRST OF ALL, THANK YOU FOR

14 REALLY THE CONCERTED EFFORT TO ADDRESS SOME OF THE

15 BARRIERS FOR OUR UNDERSERVED COMMUNITIES AND OUR

16 MINORITY COMMUNITIES WITH RESPECT TO ACCESSING

17 OBVIOUSLY SOME OF THE CLINICAL TRIALS.

18 AND THIS IS JUST REALLY KIND OF A FIRST

19 IMPRESSION, THAT I WANTED TO SEE IF YOU COULD

20 ELABORATE ON THE NEW MISSION STATEMENT A BIT.

21 BECAUSE IF I LOOK AT KIND OF THE PRIOR STATEMENT

22 THAT SPOKE TO ACCELERATING TREATMENTS TO PATIENTS

23 WITH UNMET MEDICAL NEEDS, AND THEN IT SEEMS TO

24 BROADEN, AND RIGHTFULLY SO, WITH JUST ALL OF THE

25 PROMISING WORK THAT CONTINUES PARTICULARLY WITH PROP

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1 14. BUT I JUST WANT TO SEE IF YOU COULD COMMENT ON
2 JUST KIND OF THE ONGOING COMMITMENT WITH RESPECT TO
3 SOME OF OUR UNDERSERVED COMMUNITIES BECAUSE THE
4 BROADENING KIND OF, AT LEAST TO ME, FEELS LIKE THEY
5 MAY GET MISSED, BUT I THINK YOU'RE ALSO TRYING TO
6 CAST A WIDER NET TO BE SURE THAT WE ARE NOT MISSING
7 PEOPLE. SO THERE'S KIND OF A LITTLE DICHOTOMY
8 THERE.

9 DR. MILLAN: THANK YOU, CONTROLLER YEE.
10 AS A MATTER OF FACT, THIS MISSION STATEMENT WILL
11 EVOLVE EVEN FURTHER BASED ON OUR BOARD INPUT FOR
12 THAT VERY REASON. IT'S IMPLIED, BUT NOT
13 SPECIFICALLY STATED HERE. SO SOME FEEDBACK FROM THE
14 BOARD WAS BEING MORE UPFRONT EVEN IN THE MISSION
15 STATEMENT.

16 I THINK I MENTIONED LAST YEAR AT THE LAST
17 PRESENTATION WE HAVE INCORPORATED CONSIDERATIONS OF
18 DIVERSITY, EQUITY, AND INCLUSION IN OUR SCIENTIFIC
19 PROGRAMS IN THAT THEY ARE -- IT'S A REQUIREMENT FOR
20 APPLICANTS NOW TO PROVIDE A PLAN FOR HOW THEIR
21 RESEARCH AS WELL AS THEIR RESEARCH TEAMS AND THEIR
22 APPROACH TAKE ALL OF THESE CONSIDERATIONS INTO
23 ACCOUNT. AND SO THERE HAVE BEEN SOME ACTUAL
24 TANGIBLE OUTPUTS FROM THAT. THAT'S EVOLVING.

25 OUR BOARD IS VERY COMMITTED TO THIS AND

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1 EVALUATE THOSE DIVERSITY, EQUITY, AND INCLUSION
2 PLANS, AND IT GOES INTO THEIR RECOMMENDATION FOR
3 FUNDING OR NOT. SO THAT'S IN EVOLUTION.

4 IN ADDITION, AS YOU HAD MENTIONED, THE
5 PROP 14 DOES HAVE A PROVISION FOR CREATION OF
6 SPECIFICALLY A PROGRAM ON ACCESSIBILITY AND
7 AFFORDABILITY THAT -- TO ALL COMMUNITIES, INCLUDING
8 UNDERSERVED AND DISPROPORTIONATELY AFFECTED
9 COMMUNITIES. SO THAT VERY MUCH IS INTENDED. AND SO
10 THE IDEA OF INCLUDING THAT IN THE MISSION STATEMENT,
11 JUST STAY TUNED. WE BELIEVE THAT WE'LL BE BRINGING
12 THAT TO THE BOARD FOR CONSIDERATION IN THE UPCOMING
13 MEETINGS.

14 CHAIRWOMAN YEE: THAT'S TERRIFIC.

15 DR. MILLAN: SO THAT WILL BE IN THE
16 MISSION STATEMENT. BUT IT'S DEFINITELY EMBEDDED
17 WITHIN THE STRATEGY. SO I LOOK FORWARD TO GETTING
18 YOUR THOUGHTS ON WHAT WE'LL BE PRESENTING JUST
19 MOMENTARILY.

20 CHAIRWOMAN YEE: THAT'S GREAT. THANK YOU
21 FOR THE RESPONSE. OTHER QUESTIONS, MEMBERS? OKAY.
22 DR. MILLAN, PLEASE.

23 DR. MILLAN: ALL RIGHT. SO THE STRATEGIC
24 PLAN GOAL IS TO ADDRESS THE CHALLENGES AND
25 OPPORTUNITIES OF THE RAPIDLY -- REGENERATIVE

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1 MEDICINE FIELD WHICH ACTUALLY WE ARE SUBJECT TO OUR
2 OWN SUCCESS. SO CIRM ACTUALLY HELPED TO BUILD THIS
3 FIELD, BUT NOW WE ARE MOVING FURTHER, WE ARE GROWING
4 THE FIELD, AND WE HAVE NEW CHALLENGES. SO WE ARE
5 PROPOSING TO APPROACH THIS STRATEGICALLY IN THE
6 THREE MAJOR CATEGORIES AS SHOWN HERE FOR OF PURPOSES
7 OF JUST ORGANIZING OURSELVES: ADVANCING WORLD-CLASS
8 SCIENCE, DELIVERING REAL-WORLD SOLUTIONS -- I'LL
9 DESCRIBE WHAT WE MEAN BY REAL-WORLD SOLUTIONS -- AND
10 PROVIDING OPPORTUNITIES FOR ALL. THAT SPEAKS TO
11 OPPORTUNITIES IN A VARIETY OF WAYS.

12 SO THE PRINCIPLES ARE THAT FOR THE
13 REASONS -- FOR THE OUTPUT THAT I PRESENTED EARLIER
14 UNDER PROP 71, WE BELIEVE THAT WE HAVE A VERY SOLID
15 STARTING POINT IN FUNDING THESE PILLARS: EDUCATION,
16 INFRASTRUCTURE, DISCOVERY, TRANSLATIONAL, CLINICAL.
17 AND THE IDEA IS TO USE THIS TO ENHANCE, TO DESIGN
18 IT, TO ENHANCE, ORGANIZE AND INTERCONNECT THESE
19 PROVEN FUNDING MODELS AND SYSTEMS TO ACHIEVE THESE
20 THREE MAJOR AREAS OF STRATEGIC THEMES.

21 SO I'M GOING TO START WITH ADVANCE
22 WORLD-CLASS SCIENCE. PROBLEM STATEMENT IS THAT
23 WHILE THE REGENERATIVE MEDICINE FIELD IS ADVANCING
24 AND MATURING RAPIDLY, AND DESPITE THE NUMBER OF
25 PROGRAMS THAT ARE STARTING TO MAKE THEIR WAY TOWARD

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1 LATER STAGE, WE STILL HAVE VERY FEW OPTIONS FOR
2 DEVASTATING CONDITIONS, INCLUDING DISEASES OF THE
3 BRAIN AND CNS, WHICH IS ALSO IDENTIFIED SPECIFICALLY
4 IN PROPOSITION 14 WHERE \$1.5 BILLION IS EARMARKED TO
5 SUPPORT THAT TYPE OF RESEARCH.

6 THERE'S A HUGE AMOUNT OF DATA, HUGE AMOUNT
7 OF PROGRESS ON INDIVIDUAL PROJECTS, BUT HOW CAN WE
8 MAKE THIS MORE EFFICIENT AND WORK TO ADDRESS THE
9 UNMET NEED IN TERMS OF CREATING ACTUAL SOLUTIONS
10 FROM ALL OF THIS AGGREGATED INFORMATION?

11 FROM ALL OF THE DIFFERENT MEETINGS THAT I
12 HIGHLIGHTED EARLIER, CIRM GOT SOME VERY IMPORTANT
13 MESSAGING FROM OUR SCIENTIFIC ADVISORS IN THE
14 COMMUNITY, WHICH IS THAT THERE IS A STRONG BELIEF
15 THAT CIRM CAN BE A GUIDING LEADER IN SHIFTING THE
16 PARADIGM OF HOW WE DO BIOMEDICAL RESEARCH. AND HOW
17 WE DO THIS IS BY INCENTIVIZING AND LEADING THE
18 DEVELOPMENT OF COLLABORATIVE EFFORTS. WE CAN DO
19 THAT BECAUSE WE ARE THE FUNDERS. BY INTEGRATING
20 DATA SHARING INTO THE CIRM OPERATING PRINCIPLES IN
21 OUR FUNDING MODEL AND DEMOCRATIZING ADVANCED AND
22 SPECIALIZED RESOURCES AND STANDARDS, SO-CALLED
23 COMPETENCY HUBS, TO RAISE ALL BOATS SO THAT IT
24 PROVIDES ACCESS EVEN FOR EARLIER PROGRAMS THAT ARE
25 STARTING OUT IN MORE REMOTE AREAS OF CALIFORNIA AND

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1 THEIR SCIENTISTS THEN TO BE ABLE TO CONTRIBUTE
2 IMPORTANTLY TO THIS FIELD, TO CREATE KNOWLEDGE
3 NETWORKS THROUGH DATA SHARING MODELS, AND TO
4 LEVERAGE A DIVERSE, INCLUSIVE, AND EQUITABLE
5 FOUNDATION BOTH FOR THE SCIENTIFIC COMMUNITIES AND
6 IN SCIENCE.

7 AN EXAMPLE, I THINK, I GAVE LAST YEAR FOR
8 THE COVID PROGRAM ANNOUNCEMENT WHERE DIVERSITY,
9 EQUITY, AND INCLUSION WAS ALREADY INCLUDED IN OUR
10 APPLICATION AND REVIEW IS THAT THERE WAS A VACCINE
11 PROGRAM, A DISCOVERY PROGRAM FOR VACCINE, BUT IT WAS
12 USING CELL LINES THAT WERE PREDOMINANTLY EUROPEAN,
13 WHITE ANCESTRY BACKGROUND. AND THAT RESEARCHER WAS
14 THEN MOTIVATED BECAUSE OF THESE DEI CONSIDERATIONS
15 TO CREATE OTHER MORE REPRESENTATIVE CELL LINES TO
16 TEST THEIR MODEL ON.

17 SO IN TERMS OF HOW DO WE DO THIS, SO THESE
18 ARE VERY LOFTY GOALS, VERY IDEALISTIC GOALS;
19 HOWEVER, WE DO BELIEVE WE CAN CREATE A SYSTEMIC AND
20 SYSTEMATIC APPROACH TO FOSTER A CULTURE OF
21 COLLABORATION, EFFICIENT KNOWLEDGE TRANSFER, AND ALL
22 INCLUDING THE -- MAKING SURE THAT WE INCLUDE
23 DIVERSITY AND INCLUSION CONSIDERATIONS WHILE DOING
24 ALL THIS. SO THE BASIC TRANSLATIONAL AND CLINICAL
25 RESEARCHERS ARE CHURNING OUT ALL SORTS OF DATASETS

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1 AND RESEARCH, AND THEY EACH HAVE THESE SPECIALIZED
2 CAPABILITIES. THE IDEA OF CREATING SHARED
3 COMPETENCY HUBS WILL PROVIDE THE OPPORTUNITY TO
4 ACCELERATE OTHER'S RESEARCH AS WELL AS VALIDATING
5 THE SPECIALTY OFFERINGS THAT THE INDIVIDUAL GROUPS
6 DO. AND BY HARNESSING THE OUTPUT OF THIS RESEARCH
7 AND ANYTHING THAT IS GENERATED THROUGH THESE
8 COMPETENCY HUBS TO CREATE A KNOWLEDGE NETWORK. AND
9 THIS IS SOMETHING THAT WE DON'T HAVE TO CREATE FROM
10 SCRATCH. WE ALREADY KNOW THAT THERE ARE MANY DATA
11 SYSTEMS AND PLATFORMS OUT THERE, INCLUDING THOSE
12 BEING DEVELOPED BY THE NIH AND OTHER MAJOR
13 INSTITUTIONS, AND WE HAVE LEADERSHIP WITHIN
14 CALIFORNIA WHO ARE INVOLVED IN THAT. IT'S A MATTER
15 OF ORGANIZING IT IN A WAY THAT'S COMPATIBLE WITH HOW
16 WE FUND PROGRAMS.

17 OUR PROGRAMS ARE ALREADY -- OUR GRANTEES
18 ARE ALREADY REQUIRED TO HAVE A DATA SHARING PLAN,
19 WHICH WE ADDED LAST YEAR TO ALL OUR PROGRAM
20 ANNOUNCEMENTS. AND BY CREATING A HUB, NOW THEY'LL
21 HAVE A BETTER IDEA OF HOW THIS CAN BE BETTER
22 ORGANIZED AND SHARED.

23 AND ALL OF THIS WE TRULY BELIEVE WILL LEAD
24 TO EVEN MORE FOUNDATIONAL INSIGHTS IN TERMS OF
25 DISEASE MECHANISM, BASIC PROBLEM SETS THAT MANY OF

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1 THE RESEARCHERS SAY THIS IS A MAJOR HURDLE IN TERMS
2 OF GETTING SUCCESSES IN CNS DISEASES, FOR INSTANCE.
3 IT'S JUST REALLY NOT UNDERSTANDING FOUNDATIONAL
4 INSIGHTS. SO BY CREATING THIS SYSTEM, WE HAVE THE
5 OPPORTUNITY BOTH TO GENERATE NEW DISCOVERIES, BUT
6 ALSO WHAT'S CALLED REVERSE TRANSLATION, IS LEARN
7 FROM ALL OF THE THINGS THAT ARE BEING GENERATED EVEN
8 THROUGH THE CLINICAL TRIALS AND LATER STAGE
9 PROGRAMS.

10 WITH THAT, THE GOAL IS TO INCREASE THE
11 NUMBER OF DISCOVERIES AND THEN LEADING TO TREATMENTS
12 AND CURES. SO THAT IS IN THE CATEGORY OF ADVANCING
13 WORLD-CLASS SCIENCE AS A GENERAL -- THIS IS A
14 GENERAL STRUCTURE. WHAT WE WOULD DO IS CREATE
15 ACTUAL CONCEPT AND PROGRAM ANNOUNCEMENTS TO ACHIEVE
16 THAT GOAL.

17 THE NEXT CATEGORY IN TERMS OF STRATEGIC
18 THEME IS DELIVER REAL-WORLD SOLUTIONS. AND THE
19 PROBLEM STATEMENT HERE IS THAT THE REGENERATIVE
20 MEDICINE FIELD IS ADVANCING AND MATURING RAPIDLY,
21 BUT THERE ARE PERVASIVE BOTTLENECKS WHICH WE HAVE
22 OBSERVED IN OUR OWN PROGRAMS AND ACKNOWLEDGED IN THE
23 ENTIRE, THAT SLOW CLINICAL DEVELOPMENT CAN STALL THE
24 ABILITY FOR THESE TO MEET THE STANDARDS TO GO OUT
25 INTO MORE GENERAL USE, TO FINAL FDA APPROVAL, FOR

1 INSTANCE.

2 SO OUR COLLECTIVE INPUT FROM OUR
3 STAKEHOLDERS IS THAT THERE WOULD BE VALUE IN
4 ENHANCING THE EXPERTISE AND CAPACITY OF OUR CLINICAL
5 RESEARCH AND MANUFACTURING INFRASTRUCTURE IN
6 CALIFORNIA TO ADDRESS THESE BOTTLENECKS, AS WELL AS
7 WAYS THAT CIRM ITSELF CAN CONTINUE TO ENHANCE ITS
8 RESOURCES IN ACCELERATING AND OPTIMIZING THE
9 REGULATORY, CLINICAL, AND MANUFACTURING PATHWAYS.
10 KIND OF THE INTELLECTUAL CAPITAL TO MAKE THIS
11 HAPPEN.

12 SO AS ONE OF THE EXAMPLES OF A WAY TO
13 OVERCOME THE BOTTLENECK IS RECOGNIZE ACROSS THE
14 FIELD THAT EVEN PROMISING PROGRAMS HIT A ROADBLOCK
15 OFTEN WHEN THEY SHOW EXCELLENT RESULTS IN PATIENTS,
16 BUT THEN THAT PRODUCT CAN'T BE TECH TRANSFERRED OUT
17 TO A COMMERCIAL ENTITY, SCALED UP, AND THEN ACTUALLY
18 COMMERCIALIZED LIKE YOU WOULD FOR AN ANTIBIOTIC OR
19 ANTIBODIES. SO IT'S A NEW FIELD. SO THIS IS A
20 COMPLETELY NEW PARADIGM.

21 IN ADDITION, WE KNOW THAT THE ACTION IS IN
22 THE ACADEMIC CENTERS, RIGHT. SO THE ACADEMIC
23 CENTERS ARE DRIVING THE PRODUCT DEVELOPMENT ACTUALLY
24 OF THESE TYPES OF PROGRAMS ALL THE WAY THROUGH EARLY
25 STAGE CLINICAL TRIALS. THE GAP IS THAT THE ACADEMIC

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1 GMP STANDARDS VERSUS COMMERCIAL STANDARDS AND
2 PROCESSES ARE DIFFERENT. AND SO WHAT HAPPENS IS
3 THAT THERE IS A HUGE KIND OF RISK THAT OCCURS
4 BETWEEN GETTING IT FROM THE SUCCESSFUL ACADEMIC
5 SETTING OUT TO COMMERCIALIZATION. SO WE
6 PROPOSE -- THIS IS FROM STAKEHOLDERS INPUT BOTH FROM
7 ACADEMIA AS WELL AS INDUSTRY WHERE THERE'S GROWING
8 INTEREST IN BUILDING INFRASTRUCTURE AND BUSINESSES
9 AROUND SUPPORTING MANUFACTURING OF THESE NOVEL
10 PRODUCTS IS THAT WE WOULD FUND AN ACADEMIC GMP
11 FACILITY NETWORK OF EXISTING GMP FACILITIES IN
12 CALIFORNIA SO THEY CAN ALL TOGETHER DERISK THE
13 COMMERCIALIZATION OF THESE PROGRAMS THROUGH
14 ADVANCING STANDARDS, QUALITY BY DESIGN, AND IMPROVED
15 TECH TRANSFER METHODOLOGIES AND FORMATS.

16 AND CIRM, WHO WE ALREADY HAVE A VERY
17 STRONG CONVENING FUNCTION AS WELL AS PARTNERSHIP
18 WITH INDUSTRY, CAN BRING IN OUR INDUSTRY PARTNERS SO
19 THAT THEY CAN BE INVOLVED EARLY ON IN TERMS OF
20 PROVISION OF SERVICES, RESOURCES. AND INDUSTRY IS
21 MOTIVATED TO DO THIS BECAUSE REALLY KIND OF THE
22 SUBJECT MATTER EXPERTISE IS IN ACADEMIA. SO CIRM
23 COULD SERVE TO BRIDGE THAT GAP THROUGH INCENTIVES
24 AND THROUGH HOW WE FORMAT IT.

25 AND THEN THIRDLY, A MAJOR ADVANTAGE OF

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1 HAVING THIS INTEGRATED APPROACH IS THAT THIS WOULD
2 EMPOWER US TO BUILD ON OUR EDUCATIONAL AND TRAINING
3 PROGRAM TO ACTUALLY CREATE PROGRAMS TO BUILD A
4 MANUFACTURING LEADERSHIP AND WORKFORCE, WHICH RIGHT
5 NOW THERE'S DEFINITELY A HUGE TALENT AND WORKFORCE
6 GAP IN BEING ABLE TO SUPPORT THIS NEW INDUSTRY. SO
7 IT'S A GAP AND AN OPPORTUNITY FOR CALIFORNIA.

8 IN ADDITION TO THE REAL-WORLD SOLUTIONS
9 FOR MANUFACTURING, THERE'S THE HEALTHCARE DELIVERY.
10 HOW DO WE EVEN IMPLEMENT THIS WITHIN MEDICAL SYSTEMS
11 BOTH ACADEMIC MEDICAL SYSTEMS AND EVENTUALLY IN THE
12 COMMUNITY? SO AS PROVIDED FOR IN PROPOSITION 14, WE
13 WILL BE DEVELOPING A CONCEPT AND FUNDING THE
14 EXPANSION OF THE ALPHA CLINICS NETWORK TO INCREASE
15 CAPACITY AND EXPERTISE AND ENABLING INNOVATIVE
16 CLINICAL RESEARCH, TO CREATING WAYS TO INCREASE
17 PATIENT ACCESS TO THERAPIES, AS WELL AS TO TRAIN THE
18 FUTURE WORKFORCE IN THE CLINICS.

19 THE COUNTERPART OF THAT IS BUILDING THE
20 SPECIALIZED CAPACITY IN THE COMMUNITY WHICH IS
21 APPROPRIATE FOR THE COMMUNITY CARE PATHWAYS TO REACH
22 THE PATIENTS THAT DON'T NECESSARILY NEED TO GO TO
23 THE ACADEMIC CENTERS OR NEED TO BE REFERRED TO THE
24 ACADEMIC CENTERS. AND THAT'S STILL IN PROGRESS. WE
25 ARE GETTING STAKEHOLDER INPUT BOTH FROM COMMUNITY

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1 CENTERS AS WELL AS PATIENTS.

2 AND THEN FINALLY, IN THE THEME OF PROVIDE
3 OPPORTUNITY FOR ALL, THE REGENERATIVE MEDICINE FIELD
4 IS ADVANCING, MATURING RAPIDLY. AND CIRM COMMITS TO
5 FOCUSED AND DELIBERATE ACTIONS TO ENSURE DIVERSITY
6 IN THE WORKFORCE AS WELL AS IN PATIENT PARTICIPATION
7 BOTH AT THE CLINICAL TRIAL STAGE AS WELL AS WHEN
8 THESE THERAPIES ARE READY FOR PRIME TIME. THIS IS,
9 AS A SOCIETY, WE NEED TO ALL LEARN TOGETHER AND
10 BECOME FAMILIAR. AND WE'VE SEEN FROM THE COVID
11 PANDEMIC, EVEN WITH THE AVAILABILITY OF VACCINES AND
12 AVAILABILITY OF TESTING, HOW TRICKY THAT CAN BE.

13 SO THE GOALS UNDER THIS AND, AGAIN, THE
14 STAKEHOLDER INPUT IS THAT WE SUPPORT EDUCATION AND
15 TRAINING PROGRAMS TO BUILD A DIVERSE, HIGHLY SKILLED
16 REGENERATIVE MEDICINE WORKFORCE AND TO DEVELOP A
17 STRATEGY TO ADDRESS ACCESS AND AFFORDABILITY FOR ALL
18 PATIENTS.

19 IN TERMS OF THESE PROGRAMS, THIS IS A
20 LITTLE BIT REDUNDANT, WE HAVE TO SAY THAT BOTH OF
21 THESE PROVISIONS ARE IN PROPOSITION 14. IN TERMS OF
22 THE EDUCATION PROGRAM, I HAD MENTIONED THAT OUR
23 PROGRAMS WERE UP AND RUNNING. WE ACTUALLY HAD
24 FUNDED TWO EDUCATION PROGRAMS EVEN WITH THE START OF
25 THE NEW -- JUST BEGINNING THIS YEAR. FIFTEEN AWARDS

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1 IN THE UNDERGRADUATE MASTER'S PROGRAMS WHICH WILL
2 LEAD UP TO 750 STUDENTS ENROLLING THROUGH THAT
3 PROGRAM IN FIVE YEARS. SO IN ADDITION TO THE 3,000
4 ALUMNI THAT WE ALREADY JUST THIS YEAR LAUNCHED A
5 PROGRAM THAT WILL GIVE RISE TO 750 STUDENTS GOING
6 THROUGH THE UNDERGRADUATE PROGRAMS. AND THEN 18
7 AWARDS IN THE POST-DOC PROGRAM WILL LEAD TO 1500
8 RESEARCHERS GOING THROUGH THAT PROGRAM. SO IT'S A
9 SIGNIFICANT NUMBER AND A MULTIPLIER EFFECT WHEN YOU
10 THINK ABOUT THE SCIENTISTS AND WORKFORCE THAT'S
11 BEING GENERATED.

12 ONE OF THE EXAMPLES WE ALWAYS GIVE IS THE
13 CIRM SCHOLAR PROGRAM, WHICH IS THE SECOND ONE I
14 MENTIONED, WAS A PROGRAM THAT FUNDED DERRICK ROSSI
15 AS A POSTDOC WHEN HE WAS STARTING HIS CAREER.
16 DERRICK ROSSI IS THE CO-FOUNDER FROM MODERNA THAT
17 DEVELOPED THE M-RNA VACCINE. SO HE STARTED A LOT OF
18 THIS RESEARCH ON M-RNA AS A STEM CELL PROJECT. AND
19 THEN WHEN HE WAS RECRUITED TO HARVARD CONTINUED THAT
20 AND THEN SPUN OUT THE COMPANY MODERNA BECAUSE THEY
21 SAW KIND OF THE BROAD THERAPEUTIC APPLICATION. AS
22 YOU KNOW, THAT LED TO DEVELOPMENT OF VACCINE IN
23 RECORD TIME IN TEN MONTHS ALONG WITH THE PFIZER
24 PROGRAM.

25 SO THIS, I THINK, DR. SARKISIAN, I LOVED

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1 YOUR TERMINOLOGY OF ONRAMPS LAST TIME WE SPOKE. AND
2 THAT'S A TERMINOLOGY I KEPT HEARING. SO IT'S
3 SOMETHING WE ADOPTED. AND WE BELIEVE THAT ALREADY
4 WE'VE CREATED MULTIPLE ONRAMPS TO DEVELOP THE NEXT
5 GENERATION OF LEADERS AND SCIENTISTS, CLINICIANS,
6 AND FUTURE WORKFORCE BECAUSE, BY BRINGING THEM INTO
7 THIS PROGRAM, THEY HAVE ACCESS TO THE FULL
8 COMPLEMENT OF THE CIRM PROGRAMS IN BASIC,
9 TRANSLATIONAL, AND CLINICAL RESEARCH, MANUFACTURING
10 SCIENCES, SCIENCE COMMUNICATION, AND COMMUNITY
11 ENGAGEMENT, WHICH ARE ALL EMBEDDED WITHIN THOSE
12 PROGRAMS.

13 ANYWAY, THIS IS A SUMMARY OF WHAT WE
14 PROPOSE AS FIVE-YEAR STRATEGIC GOALS THAT ARE GOING
15 TO BE BROUGHT TO THE BOARD FOR FINAL APPROVAL IN
16 DECEMBER. AND BASED ON THE APPROVAL OF THESE GOALS,
17 THE TEAM IS ALREADY -- HAVE ALREADY BEEN WORKING ON
18 DRAFT CONCEPTS THAT COULD ACHIEVE THESE GOALS IN THE
19 NEXT FIVE YEARS. THANK YOU VERY MUCH. I KNOW THAT
20 WAS A LONG PRESENTATION, BUT I'M REALLY PLEASED TO
21 BE ABLE TO SHARE WHERE WE ARE AT CIRM TODAY. AND
22 I'M HAPPY TO ADDRESS ANY QUESTIONS.

23 CHAIRWOMAN YEE: THANK YOU, DR. MILLAN,
24 FOR THE REALLY COMPREHENSIVE PRESENTATION AND
25 DEFINITELY LOOK FORWARD TO SEEING THE PLAN THAT WILL

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1 COME BEFORE THE BOARD. WE ALSO WILL HAVE THAT FRONT
2 AND CENTER IN OUR EARLY 2022 MEETING.

3 LET ME TURN TO THE COMMITTEE MEMBERS TO
4 SEE IF THERE ARE ANY QUESTIONS OR COMMENTS. DR.
5 MILLAN, DO YOU MIND KICKING OR UNSHARING THE SCREEN,
6 DR. MILLAN. GREAT. OKAY. I DON'T SEE ANY HANDS.
7 DR. SARKISIAN.

8 MEMBER SARKISIAN: I DIDN'T WANT TO TALK
9 TOO MUCH, BUT CONGRATULATIONS AGAIN. JUST SO
10 IMPRESSIVE.

11 CAN YOU TALK A LITTLE MORE ABOUT THE
12 SHARED LABS? I THINK OF SCIENTISTS NOT -- TRYING TO
13 DISCOVER AND GET AHEAD OF EVERYBODY ELSE, I THINK IT
14 COULD BE COMPLICATED FOR SCIENTISTS TO SHARE THEIR
15 DATA WITH EVERYONE AND WORK TOGETHER. I'D LOVE TO
16 HEAR MORE ABOUT THAT.

17 DR. MILLAN: ABSOLUTELY. SO THE FIRST SET
18 OF SHARED LABS WITH PROP 71 WAS CREATED BECAUSE, AS
19 YOU RECALL, THERE WERE RESTRICTIONS ON
20 WHERE EMBRYONIC STEM CELL RESEARCH COULD BE
21 CONDUCTED. SO THAT'S KIND OF WHERE THE STARTING
22 POINT WAS. BUT THEN NOW THAT'S NOT AS MUCH OF A
23 CONSIDERATION; HOWEVER, THE VALUE OF HAVING THAT
24 CONCEPT OF A PLACE WHERE EXPERTS, PEOPLE WHO HAVE
25 EXPERTISE IN TERMS OF CULTURING AND CREATING

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1 RESOURCES, CAN ADVANCE OTHERS WHO DON'T HAVE THAT
2 SKILL SET, BUT HAVE A SCIENTIFIC PROGRAM THAT COULD
3 BRING THE FIELD FORWARD.

4 SO THAT AS A CONCEPT WORKED, BUT THE NEXT
5 GENERATION OF SHARED RESOURCES, WE BELIEVE, WILL BE
6 EVEN MORE SOPHISTICATED THAN THAT IN THAT THE HUBS
7 WILL HAVE SPECIALIZED CELL MODELS, SUCH AS MORE
8 CHARACTERIZED INDUCED PLURIPOTENT STEM CELL LINES,
9 POTENTIALLY GENE EDITING TECHNOLOGY, SO YOU CAN KIND
10 OF LOOK AT VARIOUS PATHWAYS, ORGANOID MODELS, WHICH
11 ARE LIKE MINI ORGANS. THERE IS A DESIRE BY OUR
12 SCIENTIFIC COMMUNITY TO HAVE -- TO BE ABLE TO SHARE
13 THOSE TYPE OF COMPETENCIES BECAUSE, NO. 1, IT
14 FURTHERS THEIR PROGRESS BECAUSE THERE'S VALIDATION;
15 AND, NO. 2, FOR THOSE WHO ARE ACCESSING IT, IT HELPS
16 THEM -- THEY MAY NOT NECESSARILY WANT TO BE THE ONES
17 TO HAVE TO GENERATE THE NEW MODEL, BUT THEY WANT TO
18 STUDY SOMETHING THAT USES THE MODEL. SO THAT IS THE
19 MOTIVATION ON THAT SIDE.

20 THERE ARE MODELS AT THE NIH AND ELSEWHERE
21 FOR COLLABORATIVE EFFORTS. SO I THINK THAT AS A
22 SCIENTIFIC COMMUNITY THERE ARE DEFINITELY ALREADY
23 EXAMPLES OF HOW THIS IS HAPPENING. WE HAVE EXAMPLES
24 WITHIN CIRM WHERE OUR SCIENTIFIC STAKEHOLDERS HAVE
25 SEEN THE BENEFIT OF THIS TYPE OF EFFORT. FOR

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1 INSTANCE, IN THE ALPHA CLINICS NETWORK, THEY SEE THE
2 EFFICIENCIES OF BEING ABLE TO HAVE SHARED IRB
3 RESOURCES, ACCESS TO THE OTHER CENTERS FOR
4 ENROLLMENT AND RECRUITMENT, AND THEN SHARED DATA, ET
5 CETERA. THERE ARE -- WE HAVE A PROGRAM WHERE WE
6 SHARE -- WHERE WE HAVE A PARTNERSHIP WITH THE NIH
7 FOR THE CURE SICKLE CELL PROGRAM, WHICH USES GENE
8 THERAPY TO CURE SICKLE CELL. THAT'S ADVANCING VERY
9 WELL, BY THE WAY. I THINK I PRESENTED LAST TIME.
10 THAT'S CONTINUING TO MAKE HUGE PROGRESS.

11 AS PART OF THAT, BECAUSE THERE'S GENE
12 EDITING ON THE BACKGROUND OF A VERY COMPLEX DISEASE,
13 AND THIS SAFETY IS SOMETHING AT THE FOREFRONT IN
14 TERMS OF WHAT ARE WE DOING TO THE GENES AND WHAT ARE
15 THE LONG-TERM CONSEQUENCES, THERE'S A VERY
16 DELIBERATE PLAN THAT WE ARE COLLECTING INFORMATION
17 FROM ALL THOSE PROGRAMS EARLY ON. THE NIH IS VERY
18 SERIOUS AND IN THIS CASE IS REALLY LEADING THE PATH
19 FOR IT, BUT WE ARE PARTNERS IN IT, BECAUSE FOR
20 SICKLE CELL, FOR INSTANCE, THERE'S SOME BASELINE
21 MUTATIONAL BURDEN AND THINGS THAT COULD LEAD ON ITS
22 OWN AS A DISEASE ITSELF TO VARIOUS RISKS.

23 AND THEN ON TOP OF THAT, WE STILL NEED TO
24 DETERMINE IF THE INTERVENTION ITSELF, WHAT THE
25 LONG-TERM CONSEQUENCES. SO THAT CAN ONLY BE DONE

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1 THROUGH MASSIVE DATASETS. THAT CAN ONLY BE DONE
2 THROUGH SHARED DATASETS. SO ESSENTIALLY EVERYBODY
3 KNOWS THEY CAN ONLY SUCCEED IF THE FIELD TOGETHER
4 SUCCEEDS AND HARNESSSES THE INFORMATION FROM ALL OF
5 THE PROGRAMS USING SIMILAR APPROACHES.

6 MEMBER SARKISIAN: WONDERFUL.
7 CONGRATULATIONS.

8 DR. MILLAN: THANK YOU.

9 CHAIRWOMAN YEE: THANK YOU, DR. SARKISIAN.
10 ANY OTHER COMMENTS OR QUESTIONS FROM MEMBERS?

11 DR. QUICK: DR. MILLAN, MICHAEL QUICK.
12 CONGRATULATIONS. THIS IS JUST AMAZING WORK. AND
13 ONE IS PROUD TO BE A CALIFORNIAN BECAUSE OF THINGS
14 LIKE CIRM.

15 I WANT TO PICK UP ON YOUR COMMENT ABOUT
16 ONRAMPS AND DR. SARKISIAN'S NOTION OF ONRAMPS. AND
17 WE KNOW FROM A LOT OF EDUCATION LITERATURE THAT THE
18 MOST EFFECTIVE ONRAMP IS EARLY ON. CAN YOU STILL
19 HEAR ME?

20 CHAIRWOMAN YEE: WE CAN HEAR YOU, BUT IT
21 SOUNDS LIKE YOU'VE MUTED A LITTLE BIT, DR. QUICK.
22 THERE YOU GO.

23 DR. QUICK: AM I ON?

24 CHAIRWOMAN YEE: YES. YOU'RE ON. WE CAN
25 HEAR YOU.

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1 DR. MILLAN: WE LOST YOU AT --

2 DR. QUICK: I CAN'T HEAR MYSELF. TALKING
3 ABOUT THESE ONRAMPS, WE SEEM TO KNOW THAT THE
4 EARLIER THE BETTER WHEN IT COMES TO ONRAMPS. AND SO
5 I WAS WONDERING YOUR THOUGHTS IN THE COMING YEARS,
6 IF YOU ARE GOING TO BUILD A WORKFORCE, IF YOU'RE
7 GOING TO EVEN HAVE THE OPPORTUNITY FOR SOME DIVERSE
8 COMMUNITIES TO NOT FALL OUT OF EVEN BEING INTERESTED
9 IN SCIENCE AND POTENTIALLY EVEN UNDERSTANDING THAT
10 THERE'S A JOB OPPORTUNITY IN A FIELD OF
11 BIOTECHNOLOGY. HOW HAVE CIRM AND YOUR LEADERSHIP
12 TEAM AND YOUR SCIENTIFIC ADVISORS BEEN DISCUSSING
13 THIS IDEA OF GETTING DOWN EARLIER IN THE EDUCATIONAL
14 PROCESS? I KNOW YOU DO WONDERFUL HIGH SCHOOL
15 PROGRAMS, BUT DO WE NEED TO GO EARLIER? AND CAN WE
16 PROVIDE RESOURCES FOR PRIMARY SCHOOL TEACHERS THAT
17 MAKES IT EASIER FOR THEM TO TALK ABOUT THE KINDS OF
18 AMAZING FINDINGS THAT CIRM HAS CREATED? SO JUST A
19 LITTLE BIT OF UNDERSTANDING OF SORT OF YOUR THOUGHTS
20 AROUND EARLIER ONRAMPS.

21 CHAIRWOMAN YEE: DR. QUICK, BEFORE DR.
22 MILLAN RESPONDS, YOU ASKED A QUESTION THAT'S DEAR TO
23 MY HEART. AND WHAT I WANT TO DO IS ALSO ASK, DR.
24 MILLAN, YOU DIDN'T MENTION THEM BY NAME, BUT THE
25 SPARKS AND BRIDGES PROGRAMS, JUST KIND OF THE

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1 ONGOING PROGRESS WITH THAT, WHETHER ANY OF THAT WAS
2 DISRUPTED WITH COVID. BUT I THINK DR. QUICK'S
3 QUESTION IS REALLY KEY IN TERMS OF WHETHER WE NEED
4 TO PLANT THE SEED EVEN EARLIER.

5 DR. MILLAN: THE SPARKS AND BRIDGES
6 PROGRAMS ARE CONTINUING. AND SO THEY HAVEN'T
7 LAPSED. IN FACT, WE DID SUPPLEMENTAL FUNDING TO
8 BRIDGE THEM UNTIL WE CAN MAKE SURE THEY GET UP TO
9 FULL SPEED, AND THE BOARD WAS VERY SUPPORTIVE OF
10 THAT.

11 AND THE SPARK IS THE HIGH SCHOOL LEVEL
12 PROGRAM. BRIDGES IS ONE OF THE EDUCATION PROGRAMS
13 THAT ACTUALLY THIS YEAR WE ALREADY DID A ROUND OF
14 FUNDING THAT'S GOING TO LEAD 750 ADDITIONAL STUDENTS
15 GOING THROUGH THAT PROGRAM.

16 IN TERMS OF EARLIER, DR. QUICK, I THINK
17 THAT'S ABOUT EDUCATING THE COMMUNITY. AND SO MARIA
18 BONNEVILLE, IN ADDITION TO HER OTHER ROLE, IS ALSO
19 OUR HEAD OF COMMUNICATIONS AND PUBLIC OUTREACH. AND
20 THERE'S A COMMUNICATIONS SUBCOMMITTEE FOR CIRM
21 THAT'S CURRENTLY EVOLVING A PLAN IN TERMS OF THE
22 APPROACH TO THE MORE FULL ENGAGEMENT IN EDUCATING
23 THE COMMUNITY. THAT IS ABSOLUTELY CRITICAL FOR A
24 LOT OF REASONS.

25 ONE IS WE ARE OBLIGATED TO REPORT BACK TO

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1 THE COMMUNITY SO THEY UNDERSTAND WHERE THEIR TAX
2 DOLLARS ARE GOING. SO THAT'S NO. 1.

3 THE SECOND PIECE OF IT IS, AS YOU
4 MENTIONED, IN TERMS OF THE GENERAL EDUCATION. SO
5 ALL THE STAKEHOLDERS, INCLUDING THE EDUCATORS
6 THEMSELVES, UNDERSTANDING WHERE WE ARE.

7 THE THIRD PIECE OF IT IS THAT THE
8 COMMUNITY NEEDS TO KNOW HOW TO USE -- IT'S LIKE,
9 WELL, YOU GET THIS NEW FANGLED TECHNOLOGY THAT COULD
10 CHANGE OUR LIFE, BUT YOU DON'T KNOW HOW TO USE IT,
11 HOW DOES THAT WORK? SO WE NEED TO PREPARE THE
12 COMMUNITY TO BE ABLE TO BE ACTIVE PARTICIPANTS IN
13 THEIR CARE AND ACCESS TO THESE, WHETHER AT THE
14 CLINICAL TRIAL STAGE OR LATER.

15 AND SO WHAT WE NEED TO DO IS HAVE, IN
16 ADDITION TO THESE SPECIALIZED OFFERINGS EVEN TO
17 STUDENTS, JUST A GENERAL OFFERING FOR THE ENTIRE
18 COMMUNITY SO THAT WE HAVE THIS OUT THERE. SO THAT
19 IS UNDER WAY. AND WE ARE BUILDING UP ACTUALLY OUR
20 COMMUNICATIONS AND OUTREACH TEAM SPECIFICALLY FOR
21 THAT REASON BECAUSE THEY'RE ESSENTIAL IN
22 ACCOMPLISHING THE STRATEGY THAT I PUT FORWARD.

23 I HOPE THAT'S -- SO YOU WILL START TO HEAR
24 MORE ABOUT THAT AS THINGS ROLL OUT IN THE UPCOMING
25 YEARS.

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1 DR. QUICK: THAT'S TERRIFIC. THANK YOU SO
2 MUCH.

3 CHAIRWOMAN YEE: THANK YOU, DR. MILLAN.
4 OTHER QUESTIONS, MEMBERS? I DON'T SEE ANY OTHERS IN
5 THE QUEUE. DR. MILLAN, IF YOU WOULD INDULGE US, I'D
6 LIKE TO SEE IF THERE ARE ANY MEMBERS OF THE PUBLIC
7 WHO WISH TO OFFER A COMMENT. DEBBIE?

8 MS. O'DONAHUE: HELLO, CONTROLLER. THERE
9 ARE NO REQUESTS FOR PUBLIC COMMENT.

10 CHAIRWOMAN YEE: GREAT. THANK YOU. THANK
11 YOU VERY MUCH, DR. MILLAN. WE ALWAYS LOOK FORWARD
12 TO THIS PART OF OUR MEETING AND JUST TERRIFIC WORK,
13 PARTICULARLY DURING THIS TRANSITION PHASE WHERE
14 THERE'S A LOT ON THE MINDS OF YOU AND YOUR TEAM.
15 AND SO WE LOOK FORWARD TO HEARING MORE ABOUT THE
16 PLAN THAT WILL BE COMING BEFORE THE BOARD AND REALLY
17 APPRECIATE ALL OF YOUR UPDATES TODAY. THANK YOU AND
18 CONGRATULATIONS.

19 DR. MILLAN: THANK YOU, CONTROLLER YEE.
20 AND I WANT TO ALSO, ON BEHALF OF THE CIRM TEAM,
21 THANK THE CFAOC FOR YOUR ROLE BECAUSE BY DOING WHAT
22 YOU DO, IT ENABLES US TO REALLY HAVE -- TO BE ABLE
23 TO PROCEED FORWARD AND THE PUBLIC BEING VERY
24 CONFIDENT THAT IT'S BEING DONE IN A WAY THAT'S
25 COMPLIANT WITH WHAT WE NEED TO BE COMPLIANT WITH.

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1 THANK YOU.

2 CHAIRWOMAN YEE: THANK YOU. THANK YOU
3 VERY MUCH.

4 LET ME JUST RETURN TO MS. O'DONAHUE JUST
5 TO BE SURE THAT CLOSING OUT THE MEETING, WE DON'T
6 HAVE ANY OTHER MEMBERS OF THE PUBLIC IN THE QUEUE TO
7 ADDRESS THE COMMITTEE.

8 MS. O'DONAHUE: HELLO, CONTROLLER. I DO
9 NOT SEE ANY REQUESTS FOR PUBLIC COMMENT. IF THERE
10 IS MEMBERS AND YOU WOULD LIKE TO PROVIDE PUBLIC
11 COMMENT, YOU MAY RAISE YOUR HAND.

12 CHAIRWOMAN YEE: FOR THOSE PARTICIPATING
13 BY PHONE CAN HIT STAR NINE AT THIS TIME.

14 MS. O'DONAHUE: I SEE NONE, CONTROLLER.

15 CHAIRWOMAN YEE: THANK YOU. THANK YOU.

16 MEMBERS, I'M GOING TO TURN IT OVER TO ITEM
17 NO. 8, AND THIS IS TIME FOR BOARD MEMBER COMMENT OR,
18 EXCUSE ME, COMMITTEE MEMBER COMMENT. ANY MEMBERS
19 WISH TO ADDRESS THE COMMITTEE BEFORE WE ADJOURN THE
20 MEETING?

21 MEMBER LOTT: MADAM CHAIR, I JUST WANT TO
22 THANK YOU AGAIN FOR YOUR LEADERSHIP AND FOR THE HARD
23 WORK THAT THE AGENCY DOES TO PREPARE US FOR THESE
24 MEETINGS. IT MAKES IT VERY EFFICIENT AND THOROUGH.
25 THANK YOU.

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1 CHAIRWOMAN YEE: THANK YOU, MR. LOTT.
2 REALLY APPRECIATE THAT. AND TO ALL OF OUR TEAMS
3 PRESENTING TODAY. ANY OTHER COMMENTS FROM MEMBERS?

4 MEMBER SEDANA: THE ONLY THING I HAVE TO
5 SAY IS CONGRATULATIONS AGAIN TO THE GREAT WORK. AND
6 I WOULD LIKE TO ECHO DR. QUICK, THAT IT'S PROUD TO
7 BE A CALIFORNIAN AND TO SEE THIS RESEARCH AND
8 OUTCOMES COMING UP.

9 CHAIRWOMAN YEE: THANK YOU, DR. SEDANA.
10 AND THANK YOU FOR AGAIN FOR YOUR LONG-STANDING
11 TENURE ON THIS COMMITTEE AND REALLY TO ALL OF YOU.
12 I'M JUST SO PLEASED THAT WE HAVE SUCH AN EXEMPLARY
13 MEMBERSHIP OF THIS COMMITTEE TO PROVIDE THE
14 IMPORTANT OVERSIGHT ROLE.

15 SO SEEING NO OTHER COMMENT BY COMMITTEE
16 MEMBERS, THIS MEETING OF THE CFAOC IS HEREBY
17 ADJOURNED. THANK YOU, EVERYONE. WE'LL SEE YOU NEXT
18 TIME.

19 (THE MEETING WAS THEN ADJOURNED.)

20
21
22
23
24
25

REPORTER'S CERTIFICATE

I, BETH C. DRAIN, A CERTIFIED SHORTHAND REPORTER IN AND FOR THE STATE OF CALIFORNIA, HEREBY CERTIFY THAT THE FOREGOING TRANSCRIPT OF THE ZOOM PROCEEDINGS BEFORE THE CITIZENS FINANCIAL ACCOUNTABILITY AND OVERSIGHT COMMITTEE IN THE MATTER OF ITS REGULAR MEETING HELD ON NOVEMBER 10, 2021, WAS HELD AS HEREIN APPEARS AND THAT THIS IS THE ORIGINAL TRANSCRIPT THEREOF AND THAT THE STATEMENTS THAT APPEAR IN THIS TRANSCRIPT WERE REPORTED STENOGRAPHICALLY BY ME AND TRANSCRIBED BY ME. I ALSO CERTIFY THAT THIS TRANSCRIPT IS A TRUE AND ACCURATE RECORD OF THE PROCEEDING.

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